FastFacts on Gambling

2003

ADDICTIONS FOUNDATION OF MANITOBA

Leading the way to an addiction free society

FASTFACTS ON GAMBLING

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INTRODUCTION TO FASTFACTS ON GAMBLING

Gambling is a controversial topic in today's society. Some people enjoy the thrill of a chance to win, or they simply like the entertainment a game brings. Others have no use for any kind of gambling activity, believing that the lure of the big win will cause players to become addicted.

In recent years, many provinces (including Manitoba) have expanded their gaming activities. All are involved in the sale of lottery tickets, while several others have introduced commercial casinos and video lottery terminals. Such activities raise a great deal of revenue for the provinces. It is this expansion that is sparking people's interest in the topic, as gaming is now more available to those who wish to participate.

To provide a source of information for those researching the topic of gambling, the Addictions Foundation of Manitoba (AFM) has produced this book, called *FastFacts on Gambling*. The book does not take sides in the gambling debate; instead, it offers a collection of facts and statistics on gambling, ranging from how gambling games work to the impact of problem gambling on individuals and families.

During our research, we discovered that, in some areas (gambling and the Internet, for example) information is just starting to become available because the phenomenon is so new. Others topics, such as the habits and consequences of problem gambling, are well covered in the gambling literature. For much of the content, we relied upon secondary sources and on the assistance of individuals who work in the industry in some capacity. We have attempted to identify all original sources in the endnotes so that readers can obtain more information if desired.

The information offered in *FastFacts* is not intended to be comprehensive or exhaustive. It is designed to be a quick reference tool, highlighting commonly asked questions or presenting interesting facts uncovered during the research phase.

For additional information about gambling, visit or contact the AFM library at 1031 Portage Avenue, Winnipeg (phone: 204-944-6279). For more information on AFM's Gambling Services, contact one of the AFM offices listed on page 50, or call Gerry Kolesar, AFM's Provincial Coordinator for Gambling Services at 944-6200.

TERMINOLOGY

Over the years, researchers in the gambling field have used various terms to describe individuals who have problems with gambling. When we report on the results of a study in this book, we use the term chosen by the original researchers. Therefore, readers will notice the following terms used throughout this book:

- problem gambler
- pathological gambler
- compulsive gambler
- probable pathological gambler
- disordered gambler
- addicted gambler

COMMON ACRONYMS

The following acronyms have been used in this book:

AFM	Addictions Foundation of Manitoba
ILC	Interprovincial Lottery Corporation
MGCC	Manitoba Gaming Control Commission
MHRC	Manitoba Horse Racing Commission
MLC	Manitoba Lotteries Corporation
WCLC	Western Canada Lottery Corporation
VLT	Video Lottery Terminal

Chapter One
WHAT IS GAMBLING?

Where does the word "gambling" come from?

The word "gambling" is rooted in the Anglo-Saxon word "gamenian," meaning "to play" or "to sport."[1]

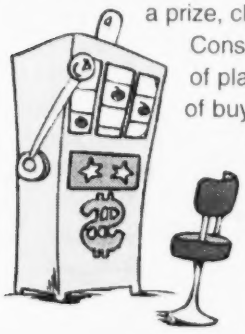
What is the history of gambling?

No one knows the precise origin of gambling as it appears to predate recorded history and to have developed differently in various countries. Evidence suggests gambling was done by the Egyptians, Chinese, Japanese, Hindus, Persians and Huns.[2] Archeological digs all over the world have confirmed that gambling has taken place since ancient times. For example, gambling tables have been found in buildings in the ruins of ancient Rome.[3]

What is gambling?

The definition used by the Addictions Foundation of Manitoba is: Any gaming behaviour involving the risking of money or valuables on the outcome of a game, contest or other event. The outcome of the activity is partially or totally dependent upon chance. The most common forms of gambling are games that involve mostly chance and very little skill. For example, there is little or no skill involved in picking lottery ticket numbers, buying scratch tickets or playing a slot machine or VLT. Some people do bet on games of skill, such as pool, golf or even chess, but this is much less common.

In his book, *The Internet Gambling Report*, Anthony Cabot defines gambling as any activity that involves all three of the following elements: a prize, chance and consideration.[4]

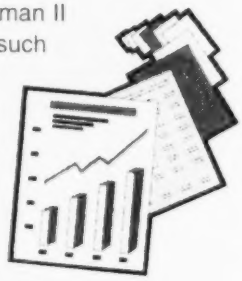


Consideration refers to the cost of playing, such as the price of buying a lottery ticket or of making a bet at a blackjack table.

Is someone who says "I'm taking a real gamble on this new job" gambling?

Many people refer to everyday decisions as "a gamble." While taking a new job or crossing a busy street may be risky, these behaviours do not actually fit the definition of gambling.

Is putting money into risky stocks gambling?

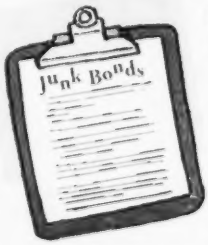


Researcher Robert Wildman II writes that some activities, such as stock market and real estate speculation, occupy a "grey area" and refers to them as "quasi-gambling behaviours."[5]

On one end of the continuum are the people who put money into RRSPs each year. Even though there is some risk involved, these people are not gambling, but planning for the future.

On the other end of the continuum are those who play the market because they want to make a quick profit or because of the excitement it gives them as they experience the highs and lows of the rising and falling stock prices. The Council on Compulsive Gambling of New Jersey's website suggests that an individual has "crossed over the line from investing to gambling" when the activity starts to affect relationships with spouse, family or employer or when it causes financial problems.[6]

Perhaps a publication by the Alberta Alcohol and Drug Abuse Commission, which comments on the prevalence of gambling on stocks, options and commodities, best states the situation: "...the current research lacks a common agreement on where gambling ends and other forms of risk-taking begin, and the research community needs to address the issue."[7]



What is the difference between gaming and gambling?

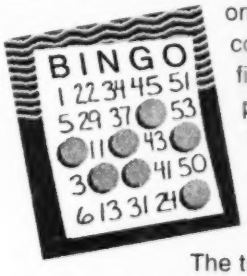
Today the two terms are often used interchangeably. In the past, "gaming" was more often used to describe board games, such as checkers, chess and backgammon, while "gambling" was used to describe the act of wagering on an event's outcome.[8]

What different types of gambling activities are available?

A few of the more common games are described here.[9]

Lotteries: The Collins Paperback English Dictionary describes a lottery as "a game of chance in which tickets are sold, which may later qualify the holder for a prize." Using this definition, both raffles and keno would be considered lotteries. However, when Manitobans buy lottery tickets, they usually mean one of the tickets sold through the Manitoba Lotteries Corporation, including: Lotto 6/49, Pogo, Super 7 and various scratch and win tickets.

Bingo: Players use a bingo card with numbered boxes arranged in rows and columns. A bingo caller draws numbered balls randomly from a bin. Players match the numbers called to numbers on their cards, trying to complete a pattern. The first player to complete the pattern calls out "Bingo." Once the bingo has been verified, that person is awarded the prize and a new game starts.



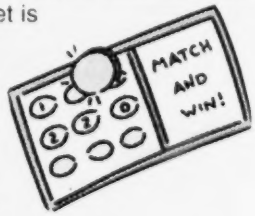
The traditional "paper bingo" is often played in bingo halls or legions. The casinos in Winnipeg also offer an electronic version of bingo where a computer randomly generates the numbers (instead of the traditional numbered balls) and the spaces on the player's bingo card are automatically marked off by the computer.

Keno: In keno, players choose anywhere from one to 15 numbers on a keno card, which is then turned in to a "runner" or to a betting window. After all the tickets have been registered, 20 out of a possible 80 available numbers are randomly drawn. In order to win, a predetermined number of the players' numbers must match the numbers drawn, just like in a lottery. The more numbers that match, the bigger the prize. Keno is now played electronically in casinos. Players use a screen to choose their numbers, and the winning numbers are randomly generated by a computer.

Video Lottery Terminals (VLTs) and Slot Machines: VLTs are coin operated electronic terminals on which computerized games of chance are played. Players put coins into the terminal, which are then registered as credits. Players can play the games as long as they have credits left. At any point, they can also collect whatever money is left by taking a "pay slip," which is dispensed by the machine, to a cashier. Slot machines are similar to VLTs except that pay-outs are in the form of coins that drop into a trough on the machine.

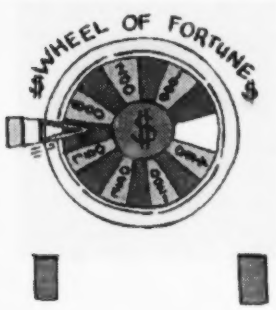
Players can choose from a number of games when they play a VLT. Basically, all the games offered fall into two categories: line-up games, in which players hope to line up three winning symbols on the pay-line, and various forms of draw poker, in which players try to put together winning poker hands from the cards they are dealt. In the video poker format, the games include Joker Poker, Deuces Wild and Jacks or Better and Jacks or Better with four of a kind bonus.

Raffles: People who buy raffle tickets are buying a chance to win an item of value or cash or both. The winning ticket is drawn from all tickets purchased. For example, charity groups often hold raffles for a new car, which is sometimes put on display in a mall near



a table where tickets are being sold. A 50/50 draw is a raffle wherein half the money raised through ticket sales is awarded as the prize.

Wheel of Fortune: On the outer edge of a wheel of fortune, various symbols and groups of symbols are found. Common symbols used are card suits (spades, clubs, hearts and diamonds) or various denominations of money (fives, tens, twenties, etc.). The wheel is spun and a marker lands on one of the symbols or groups of symbols. Before the wheel is spun, players bet on which symbol the marker will land on.

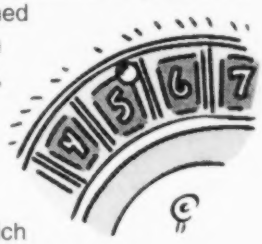


Monte Carlo Casino: A Monte Carlo casino is a casino held to raise money for a worthy cause. In Manitoba, a maximum of four table games are allowed consisting of blackjack and wheels of fortune. A Monte Carlo casino is held in conjunction with another event. For example, a town may hold a centennial event at which a Monte Carlo casino is set up to raise money for a charity group.

Blackjack: Blackjack is a card game common in casinos in which players try to achieve a higher card count than the dealer without exceeding 21. Players compete only with the dealer's hand, not with other players' hands. While the dealer must keep taking cards until the cards count at least 17, players may stop taking cards at any time. Players receive a bonus of a 3 to 2 pay-out if they get a blackjack hand, which is an ace and a face card. (Aces count 1 or 11, and face cards count 10, so in this case the hand is a winning 21.)

Some players believe that by "counting cards" they can keep track of cards already played, giving themselves an advantage. However, dealers in casinos can use up to six decks, making it difficult to keep track of cards played.

Roulette: The game of roulette has a large wheel divided into 37 (sometimes 38) sections. As well as being assigned a number, each section also has a colour – red, black or green. The roulette operator (known as a croupier) throws a little ball into the spinning wheel, which eventually drops into one of the numbered sections. Players lay their bets on a table that has numbered and coloured sections corresponding to the wheel. Players can bet on a number, a colour or a combination of numbers.

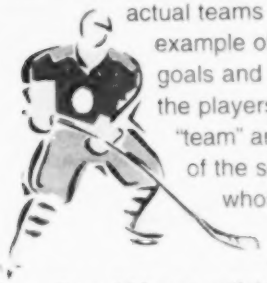


Baccarat: In baccarat, a dealer deals two hands of two cards face down. Each hand may be dealt one additional card, depending on what the two card total is. One hand is referred to as "the banker's hand" and the other is called "the player's hand." Players bet on the hand they think will end up with a point total closest to nine.

Poker: Poker is a card game, and there are many forms of play, common ones being Texas Hold 'em (a form of seven card stud) and draw poker. The object of most of the forms of play is to obtain a better poker hand than opposing players.

Poker hands, from lowest to highest, are: high card, pair, two pair, three of a kind, straight (any five cards in a sequence regardless of suit), flush (five cards of the same suit), full house (a pair and three of a kind), four of a kind, straight flush (five cards in sequence of the same suit) and royal flush (straight flush to the ace).

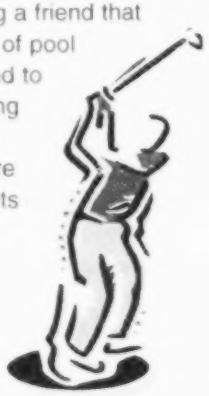
Sports Pools or Drafts: In sports drafts, some of which are run by charitable organizations, participants pay an entry fee to choose a number of players from a sports league to form their own "team." (Players chosen come from a variety of actual teams in the league.) In the example of a hockey draft, the goals and assists achieved by the players on a participant's "team" are added up. At the end of the season, the participant whose team has the most points wins a prize derived from the entry fees. It could be an article of value, money or both. Remaining money raised often goes to a worthy cause. Sports drafts are also available for sports other than hockey.



Video Tote Machines: Video tote machines are special video lottery terminals (VLTs) upon which a bettor can wager on a live horse race occurring at Assiniboia Downs. Bettors obtain a voucher from the VLT counter, then use the voucher in the video tote machine to make a bet on the race. The video tote machine is equipped with a television screen so bettors can watch the race. Video tote machines also have other VLT games which the bettors can play while watching the race.[9] Video tote machines, like VLTs and the slots in casinos, are under the jurisdiction of the Manitoba Lotteries Corporation.

Touch Tote Machines: Touch tote machines are available at Assiniboia Downs in Winnipeg. With these machines, bettors can bet on live races taking place at the track or on live races occurring in various locations across North America that are available through simulcasting. (For a definition of simulcasting, see page 29 in Chapter Six.) To play a touch tote machine, bettors must obtain a voucher from a pari-mutuel seller. The voucher is then inserted into the machine, establishing a cash balance against which the bettor can wager. Touch tote machines are under the jurisdiction of the Canadian Pari-mutuel Agency, a federal agency responsible for supervising, regulating and controlling betting on horse races.[10]

Informal Betting: Some people gamble on activities that they themselves take part in. An example would be betting a friend that you will beat him at a game of pool or golf. These are considered to be informal forms of gambling because they are not sponsored by the province but are simple informal arrangements between individuals.



Chapter Two
WHY DO PEOPLE GAMBLE?

Note: This chapter describes some of the different ways people can be involved in gambling, as well as motivating factors that may lead people to gamble. For specific demographic information about problem gamblers, see Chapter Seven.

Why do people gamble?

There are a number of reasons to explain why people gamble, and these reasons may change for an individual over time. Some of these reasons are:

For Recreation/Fun: The complex mixture of anticipation and potential reward involved in gambling makes the activity exciting for many people. Waiting for the wager to be resolved can be as exciting as the actual win or loss for many gamblers.

To Win Money: Gambling is probably the only form of recreation that also offers people a chance to make money. Gambling activity is almost always attached, at some level, to winning money. Winning money is connected to a host of different meanings for people, including meeting basic needs, security, freedom, power and just enjoying "the good life."

For Social Rewards: Regular gamblers become members of a distinct social world in which the price of membership is sustained gambling. Social interaction with other players offers frequent contact with like-minded individuals who share a special language and who understand the rigours of playing that all regulars must face.

To Escape: For some people, gambling can provide an escape from current problems at home or work, or from the unpleasant emotional states of anxiety or boredom. Gambling can also provide a positive mood modification effect or a good feeling that some people seek out through repeated gambling.

As a Challenge: Gambling always has a competitive aspect to it, whether it is the player against the house (casino) or against other players. Some gamblers enjoy the challenge of trying to beat the house or outwit and outplay other gamblers. They may treat gambling almost as a sport or game at which they try to improve their skills in an attempt to gain an edge.

Out of Habit: Gambling can become a habit or routine in someone's life. Examples include the person who buys a lottery ticket for every draw or someone who regularly goes to the casino on a certain night of the week. Once people have an established routine in their lives, they may be reluctant to change that behaviour.

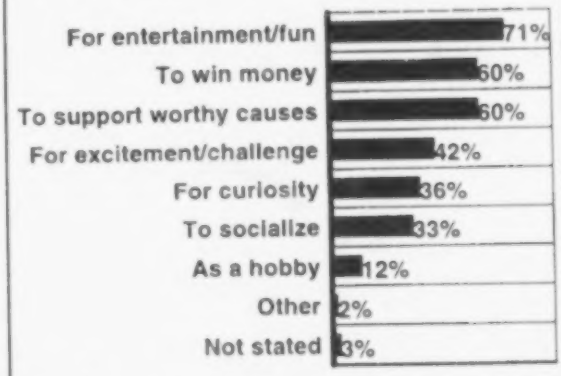
To Support Charities: Participants in fund-raising raffles or the hospital lotteries commonly held in Manitoba are both donors and players. This dual role – supporting good causes and taking a chance to win a large amount of money – is particularly attractive to many people.

To Tempt or Test Fate: Most forms of gambling depend heavily on luck or chance. The roll of the dice or the turn of a card determine the winners and the losers. Some gamblers enjoy the feeling of leaving their fortunes to fate to decide.

What are the main reasons Manitobans gamble?

A 1995 study of gambling in the general population in Manitoba asked respondents (those who had admitted to gambling at some point in their lives) why they gambled. Responses ranged from "entertainment or fun" (71%) to "as a hobby" (12%). Figure 1 shows the reasons why people gamble and the percentage of respondents who stated each reason for gambling.[1]

Figure 1: Why Manitobans Gamble



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Source: Problem Gambling Study: Final Report. *Manitoba Lotteries Corporation. September 1995.*

What is the "continuum of gambling?"

There is a trend to view gambling behaviour on a continuum.[2] At one end of the continuum is infrequent, non-problem gambling. At the other end is pathological gambling. The vast majority of gamblers remain at the non-problem end of the continuum, participating as a casual or social gambler all their lives. Others move through various stages and end up experiencing the severe problems associated with pathological gambling.

The Addictions Foundation of Manitoba describes five levels of involvement. They are:

- non-involvement;
- irregular involvement;
- regular involvement;
- harmful involvement;
- dependent involvement.

Two more categories are transitional abstinence and stabilized abstinence or recovery. These two levels indicate movement back towards the non-involvement level on the continuum.[3]

What causes someone to develop problems with gambling?

To date, studies have not proven definitively that there is any one cause of problem gambling. However, certain biological, psychological and sociological processes have been linked to problem gambling. The model used by Addictions Foundation of Manitoba – the "Bio-Psycho-Social Model" – to explain excessive gambling takes this into account. The following provides descriptions of the three aspects of this model.[4]

The Biological Aspect: Altered brain chemistry has been linked to problem gambling, but it is not possible to determine whether altered biochemical levels are a cause or a consequence of excessive gambling. As well, physiological studies of pathological gamblers have shown hemispheric differences in EEGs (electroencephalographs). These are also commonly found in children with attention deficit disorder.

The Psychological Aspect: The psychological perspective views pathological gambling as a problem within the gambler's psyche or personality. It may be used as a stress-reliever, or some gamblers may be victims of their own irrational beliefs about winning that lead them to overlook the law of probability. Environmental risk factors might include growing up in a dysfunctional family and experiencing unresolved psychological or physical traumas, such as parental absence, emotional deprivation or alcoholism.

The Sociological Aspect: This approach looks at the influence of external and environmental factors to explain excessive gambling behaviour. For example, the observational learning and vicarious reinforcement from watching family or friends gamble may be how gamblers first become involved. Also, the game itself may influence gamblers to continue gambling because of the intermittent reinforcement. Another environmental factor that may influence people's gambling is the availability and accessibility of gambling opportunities, which have increased over the last few years.

Are pathological gamblers addicted to gambling?

The American Psychiatric Association classifies gambling as an impulse control disorder. Most addiction agencies refer to it as an addiction because it bears signs and symptoms similar to other addictions.

What are some of the signs that an individual may be having a problem with gambling?

The Addictions Foundation of Manitoba recognizes a number of signs, falling into five different categories, that may indicate a person is in over their heads when it comes to gambling. These signs are:[5]

IMPULSIVE BEHAVIOURS

- need to gamble with increasing amounts of money
- inability to control or stop gambling despite serious negative consequences
- gambling more money to try to recoup losses
- gambling for action or to escape problems
- inability to set limits on time or money spent on gambling activities
- inability to quit while ahead

PREOCCUPATION

- increasing frequency of gambling activities
- gambling for longer periods of time
- gambling becomes the major focus of thinking, even when not gambling
- gambling at every opportunity (meal breaks, misses work)
- restless or irritable if not gambling

MINIMIZING OF BEHAVIOUR

- minimizing losses and exaggerating wins
- lying to family members or others to conceal the extent of gambling behaviour
- believing that "the big win" is inevitable

DISREGARD FOR CONSEQUENCES

- failing to pay daily living expenses; in debt
- depleting bank accounts and investments; selling personal belongings to gamble or pay gambling debts
- relying on others to provide money to relieve desperate financial situation caused by gambling
- borrowing money from extended family members, friends and work colleagues in order to gamble
- becoming isolated from family members and friends in order to gamble
- becoming less interested and less aware of personal, family and occupational issues
- committing illegal acts, such as forgery, fraud or embezzlement, in order to gamble or pay gambling debts
- continuing to gamble despite health problems related to gambling

INABILITY TO CONTROL OR STOP GAMBLING

- not able to stick to pre-set gambling budget
- continuing to gamble until all money is gone
- unsuccessful attempts to quit gambling
- feeling irritable or restless when trying to quit gambling

Is there any evidence of problem gambling in the past?

It is known that Roman emperors Augustus and Caligula had passions for gambling. Some reports indicate that Claudius and Nero would be considered pathological gamblers under current definitions.[6] During the reign of Louis XIV, records stated that "I [Dusault] have found cards and dice in many places where people were in want of bread."[7] In England, during the reign of George II, it was reported that "The canker of gambling is surely eating into the very heart of the nation."[8]

Chapter Three

HOW DO DIFFERENT KINDS OF GAMBLING WORK?

This chapter attempts to explain some of the key concepts behind how gambling works. In other words, it tells the secrets behind how gambling operators make money over time while the players lose money over time. Some of the key concepts that are discussed are randomness, independence of events and house advantage.

What is Randomness?

To understand how gambling games operate, one must first understand the concept of randomness and how it applies to gambling. Randomness means that all possibilities on a device are equally possible on each trial of the device. Randomness is built into gambling games to ensure the players cannot accurately predict what the next result will be. Roulette wheels, cards, dice and VLT/slot computer chips are all examples of devices that produce random events or random numbers (all of these devices can be considered random number generators). Most forms of gambling involve a random number generator in some form.

Electronic games, such as slots and VLTs, are made random through a computer chip that is actually known as a Random Number Generator or RNG. The RNG randomly selects numbers from a particular range, usually 1 to a few billion. Each number in the range corresponds to a particular symbol on the slot machine or a card for video poker. The RNG is always generating the numbers and they are generated at a rate of thousands per second.

Some players believe that they can start to sense or predict when a machine will start paying out when in reality they are picking numbers from an incredibly fast river of numbers. The RNG never warms up to reward a player – it just continually grinds out millions of numbers. Some of the numbers correspond to winning symbols, but most correspond to losing ones. Players can never gain any useful information about predicting wins even after playing for many hours.

What does "Independence of Events" mean?

Each trial on a random number generator is not only random, but also independent of all others, which means that previous results do not affect current or future outcomes. For example, if a coin is tossed 10 times and it lands on tails each time, the chance of a head appearing on the eleventh flip is still 50-50. A common – but mistaken – belief that heads becomes more likely because it has not occurred for a while is an example of the gambler's fallacy.

What is the "Gambler's Fallacy"?

The gambler's fallacy leads gamblers to think that if a particular result, such as the appearance of heads in a coin flip, has not happened, it is more likely to happen on the next flip. Similarly, some gamblers mistakenly believe that, after a number of losing plays on a gambling device, winning becomes more likely with future tries. People often believe a VLT is "warming up" for a win because they have put a lot of money into it or it hasn't paid off in a long time. In fact, a player can gain no useful information from observing the results of past wagers. Gambling on random games is one of the few activities in our lives from which we are unable to learn anything from our past experiences.

What does "house advantage" mean?

The term "House Advantage," usually given as a percentage, refers to the mathematical edge that the gambling operator – a casino, for example – has to ensure that, over time, the house will make money. The house advantage in games can range from fairly small (about 1% for blackjack players who know perfect strategy) to quite large (about 50% in most lotteries). These numbers represent the *average* amount that a player will lose from each and every bet.

What are the odds of winning in some of these different games?

Lotteries: The odds of winning a lottery can be calculated mathematically. For example, in Lotto 6/49, six numbers are picked out of a pool of numbers between one and 49. The number of potential combinations is just under 14 million. Therefore, the odds of winning the jackpot on a single ticket are about one in 14 million.[1] The odds don't change if more or less tickets are sold. If more tickets are sold, the jackpot will be larger and the potential number of people who can win will increase, but the odds of winning on a single ticket don't.[2] (See Figure 2 below.)

Players can increase their odds of winning the jackpot by buying more tickets; however, the odds against winning remain astronomical. For example, if an individual buys 20 tickets per week for 52 years in a row, he will have spent $54,989, but the odds of him winning the jackpot even once in those years would still only be 1 in 270.[3]

Video Lottery Machines and Slot Machines: Each VLT contains its own processor board and game program that operates independently from all other VLTs. Each VLT has its own random number generator, which determines wins and losses. There is absolutely no order or pattern to the appearance of the results and there is no way to predict when a winning result will come up.[4]

The pay-back for VLTs and slot machines work on percentages. In Manitoba, advertised VLT and slot machine pay-outs range from 92% to 96%.[5] This means that you will lose an

Figure 2: Odds of Winning the Lottery
Source: Western Canada Lottery Corporation

GAME	HOW TO PLAY	COST	TOP PRIZE	ODDS: TOP PRIZE	ODDS: OTHER PRIZES
Lotto 6/49	Pick 6 numbers from a possible 49 numbers	$1 for one 6 number selection	$2.0 million or more	1/14 million	1/53 Prizes start at $10
Western 649	Pick 6 numbers from a possible 49 numbers	$1 for 2 selections	$1.0 million	1/7.0 million	1/27 Prizes start at $10
Super 7	Pick 7 numbers from a possible 47 numbers	$2 for 3 selections	$2.5 million and more	1/21 million	1/6 Prizes start with free tickets
Western	Scratch to see numbers A total of 12 million tickets are produced	$1	$25,000	1/1 million	1/4.5 Prizes start with free tickets
Blackjack	Scratch to see numbers A total of 13.2 million tickets are produced	$1	$21,000	1/500,000	1/4.8 Prizes start at $2
Instant Bingo	Receive a callers card & 4 players cards A total of 3.0 million tickets are produced	$3	$20,000	1/500,000	1/3.86 Prizes start at $3

average of 4 to 8 % of every dollar you wager. Over time, the more bets you make, the more money you will lose.

Roulette: In roulette, there are 37 numbered slots (1 to 36 and 0) into which the roulette ball may fall on any one spin of the wheel. The true odds of picking the correct number with a single bet are 36 to 1; however, the payoff odds for picking the correct number are 35 to 1. This difference between the true odds and the payoff odds results in a house advantage of 2.7% meaning that over time, you will lose an average of 2.7% of every wager you make.

Blackjack: The house advantage in blackjack can be anywhere from 1 to 20% depending on the skill of the player and the set of rules used. Players who follow perfect strategy can sometimes shrink the house advantage to under 1%, however, they are still at a disadvantage and will lose money over time (perfect strategy involves playing in a predetermined fashion, taking into account your hand and the dealer's up-card). Only card counters, who are few and far between, have a hope of completely evening the odds or achieving a very slight advantage in this game.[6]

Figure 3: Against All Odds

Lotto 6/49 is a popular lottery. This chart shows the chances of a single ticket winning a Lotto 6/49 jackpot compared to the probability of experiencing several other life events:

Winning the Lotto 6/49 jackpot	**1 in 14,000,000**
Dying in a bathtub this year	**1 in 1,000,000**
Dying from a flesh-eating disease	**1 in 1,000,000**
Being killed by someone's dog	**1 in 700,000**
Being electrocuted this year	**1 in 42,852**
Being murdered this year	**1 in 42,852**
Dying in a fire this year	**1 in 31,031**
Being killed in a car crash this year	**1 in 7,895**

Sources: The last four probabilities are derived from Nova Scotia statistics for 1992 ("Mortality – summary list of causes," Statistics Canada). The second, third, fourth and fifth are from "Worry not...consider the odds" by Brad Evenson of the Ottawa Citizen, *in the* Calgary Herald. *August 27, 1995. A9.*

What is the "cost per hour" to gamble?

As discussed, virtually all casino games and VLTs are set up so that the house has an advantage. This house advantage ensures that casinos make money and that players lose money. An interesting way to use house advantage is to compute the average amount players will spend every hour at various kinds of gambling. This information gives players a general idea of the cost of casino entertainment at the different games. It needs to be stressed that the calculations below refer to average cost per hour. The actual experiences of individuals can vary greatly because of the randomness of the games.

Average cost per hour depends on three factors. They are the house advantage, the number of bets made per hour and the size of the bets. The resulting formula is as follows:

Average cost of play per hour =
house advantage X bets per hour X size of bets

Using the game of blackjack, this example shows some numbers plugged in to the formula. A blackjack player of average skill faces a 1.5% house advantage. Blackjack players make roughly 80 bets per hour, and a minimum bet of five dollars per bet (common in casinos) is assumed. The formula looks like this:

Average cost of blackjack play per hour =
1.5% X 80 X $5 = $6 per hour

So, the average cost of play per hour for a blackjack player of average skill will be $6. It should be noted that this is the expected player loss or expenditure on average. Individual results can vary greatly. For example, one person could be $100 ahead after an hour of play while another could be $200 behind. Individual results can fluctuate wildly because short term results are unpredictable. (See Figure 4 next page.)

Figure 4:
Average Cost Per Hour of Selected Casino Games

The chart below shows some selected casino games with an average cost per hour based on typical bet amounts and speed of play. Note that some players play faster and bet higher amounts than indicated. This means a higher cost per hour. Conversely, players who play slower than indicated or who bet less will be spending less per hour. Cost per hour is only one factor in determining a safe gambling level. Many factors need to be considered in determining what safe gambling is for a particular individual.

GAME	HOUSE ADVANTAGE	BETS PER HOUR	SIZE OF BETS	AVERAGE COST PER HOUR
Baccarat				
Bank	1.1%	60	$10.00	$6.60
Player	1.2%	60	$10.00	$7.20
Blackjack				
Perfect Strategy	1.0%	80	$5.00	$4.00
Weak Player	3.0%	80	$5.00	$12.00
Caribbean Poker	5.3%	45	$5.00	$11.93
Keno				
Traditional	30.0%	10	$1.00	$3.00
Video Keno	8.0%	400	$1.00	$32.00
Let it Ride	3.5%	45	$5.00	$7.88
Roulette				
Single O Wheel	2.7%	40	$5.00	$5.40
Slots (1 coin bet)				
Nickel	10.0%	400	$0.05	$2.00
Quarter	7.5%	400	$0.25	$7.50
Dollar	5.0%	400	$1.00	$20.00
Slots (3 coins bet)				
Nickel	10.0%	400	$0.15	$6.00
Quarter	7.5%	400	$0.75	$22.50
Dollar	5.0%	400	$3.00	$60.00
Pai Gow Poker				
No Banking	2.5%	40	$10.00	$10.00
Manitoba VLTs				
(w/max bet)	7.1%	400	$1.25	$35.50
(w/min bet)	7.1%	400	$0.25	$7.10

Chapter Four

WHAT ROLE DOES PSYCHOLOGY PLAY IN GAMBLING?

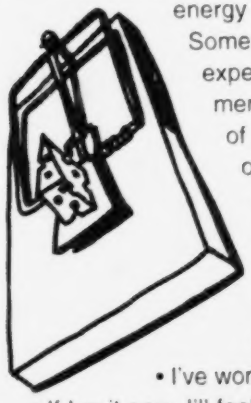
There are a number of ways that psychology is incorporated in gambling. These include the use of a variable ratio reinforcement schedule, secondary reinforcement and various faulty beliefs that people have about gambling, including near miss beliefs, superstitions and other cognitive distortions.[1] This chapter also shows how someone's natural reactions to the wins and losses of gambling can actually lead into problems with gambling.

What does "variable ratio reinforcement" mean?

A variable ratio reinforcement schedule (also called intermittent reinforcement) describes the pattern, or more accurately the lack of a pattern, of when gamblers experience "wins." Research has shown that behaviors learned using a variable ratio reinforcement schedule can be quite resistant to extinction. In other words, people have a tendency to want to continue engaging in that behavior. Some gamblers have described the feeling of always wanting to make one more bet, knowing that the next bet may be a winner. Some researchers have also used the word "entrapment" to describe a psychological urge to continue gambling.

What exactly is meant by "entrapment"?

Entrapment describes an increasing commitment to a failing strategy. Gamblers spend time, energy and money gambling. Some begin to regard their expenditures as an "investment" rather than the cost of entertainment. Instead of walking away and accepting their losses, the entrapped gambler thinks the following:



- If I play long enough, I'll win.
- I've won before, so I'll win again.
- If I quit now, I'll feel stupid.
- If I play until I win, I'll be proven right.

This thinking can result in an on-going commitment to continued gambling that in turn can lead to mounting losses and an urge to gamble more.

What other kinds of irrational beliefs do gamblers have?

Most gamblers – even casual gamblers – have some thoughts or ideas about gambling that are inaccurate. Sometimes these irrational beliefs can provide someone with a "reason" to continue gambling.

These irrational beliefs can develop into cognitive distortions – ideas or thoughts that keep people gambling when it may be wiser to stop. Many of these distortions originate from strategies or techniques that can be helpful in other aspects of their lives but, because of the nature of the gambling experience, they turn out to be quite harmful. Here are some of these beliefs:

The Gambler's Fallacy: The gambler's fallacy (also mentioned in Chapter 3) is the belief that if one event has happened several times in a row, some other or offsetting event is due to happen. If, for example, the color red has come up nine times in a row on the roulette wheel, the gamblers fallacy states that the color black is now "due" or more likely to occur. In reality, both red and black have an 18 in 37 chance of occurring on each and every spin. Neither the roulette wheel nor the marble has any memory of what has occurred in the past.

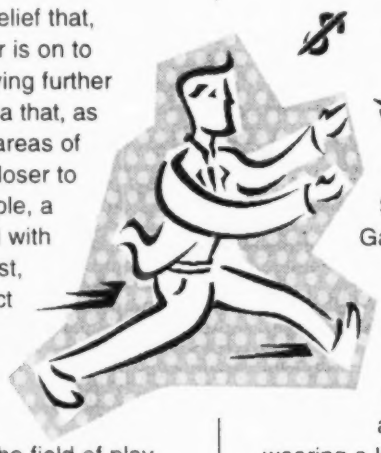
The gambler's fallacy was first documented as "the Monte Carlo Effect" in 1957 by gambling researcher J. Cohen.[2]

Cold or Hot Machines: This is the belief that if a VLT hasn't paid out for a while, it will pay out soon, or that if it has paid out recently, it is not due to pay out in the near future. This is similar to the gambler's fallacy or looking for patterns. It may stem in some cases from the sales of breakopen tickets at bingos or in hotels prior to the advent of VLTs. In each box were a set number of winning tickets, and if they had not already been sold as the number of tickets in

the box decreased, the players' chances of winning were increased. Operators would be aware of the number of winning tickets remaining in the box and could tell patrons how many winners were left.

With VLTs, slots, roulette wheels and dice, however, each event is independent – what has happened previously has no effect on ensuing events. The odds are always the same.

Near Miss Belief: This is the belief that, by "almost" winning, the gambler is on to something of significance, justifying further tries. This may stem from the idea that, as people learn new skills in most areas of their lives, they get closer and closer to the sought after goal. For example, a person learning to hit a baseball with a bat may miss completely at first, then slowly begin to make contact after several tries. Later, they may make more solid contact, but hit the ball foul or out of bounds. In the end they will progress to hitting the ball into the field of play.



In gambling, however, close does not count. It is simply a random result that does not pay. It is no indication that any specific event, such as a win, is about to occur.

Chasing Beliefs: This is the attitude that money lost by gambling hasn't really been lost because it can be recovered through further gambling. Players will return to a gambling venue in the belief that, if they spend enough money, they will win all of their money back. In many areas of our lives persistence and determination are positive traits. But when applied to gambling, the house advantage ensures that chasing will inevitably lead to disastrous results for the gambler.

Ability to Influence Outcome: Some gamblers begin to believe that wins are produced by their own efforts rather than by the random operation of a gambling device or distribution of cards. They attribute their wins to skill or some inside knowledge of the game. Losses are explained as errors or even cheating by the casinos or game operators.

While some games, such as blackjack and poker, do require some skill to play well, the randomness of events and house advantage ensure that over time players will spend more money than they win.

Magical Thinking: The gambler comes to believe that wins are produced simply by wishing for them or thinking about them. Using selective recall, the gambler can remember times when wins have occurred after wishing for them to happen, while forgetting the occasions when this strategy did not work.

Superstitions and Rituals: Gamblers begin to believe that certain objects, rituals or even articles of clothing may be helping them to win. This is a form of magical thinking where the player engages in some ritual that is unrelated to the gambling activity, such as rubbing the VLT, wearing a lucky red shirt or putting a troll doll on a bingo card in hopes that it will produce a favorable outcome.

Seeing Patterns or Looking for Systems: One of the best teachers people have is experience. The gambler looks for patterns in the results hoping to find a clue to future outcomes. This can be very useful in other situations, such as learning the steps in a dance or the firing order of an automobile engine. However, in gambling, due to the random nature of events, past events have no impact on future results. Casinos, realizing that gamblers are looking for these patterns and knowing that the information is useless in predicting future results, readily provide this information at roulette wheels and baccarat tables.

One of the most common systems is the "Martingale System," or doubling up. This may provide some minimal incremental payoffs in the beginning, but it inevitably leads to disastrous losses.

Personification of the Gambling Device: This is the belief that a slot machine or VLT is deliberately punishing, rewarding, taunting or

trying to make a player angry. By personifying the machine, the player hopes to influence it to pay off. It should be noted that personification is a behavior not limited to gamblers. Many people at some point have spoken to old cars, computers or some other object.

Selective Recall or Memory: People tend to remember some events and discount others in accordance with the way they view the world and the importance they give to each event. This is a very helpful technique in a fast and changing world, as there is much occurring at the same time and people have a limited ability to process this data. In gambling, winning is the more desired result and people will tend to remember winning while forgetting their losses. Some people will be able to recall exactly what they were wearing, who they were with and what day of the week it was when they last won a big prize. When asked what happened just before or after the win, however, their memory is not quite as clear. It is not surprising, then, that most gamblers minimize their losses.

They're not lying – it's just the way they remember it.

Attributions: According to the self-serving bias in attribution theory, it is common for people to attribute positive events or outcomes to their own efforts while blaming external factors for unfavorable outcomes. This can be seen in the bingo player who wins and states that it was because they "selected the right cards" while the player who did not win blames the outcome on a "rigged game" or faulty bingo machine. The explanation for this bias is that it helps people to maintain their self-esteem in the face of unfavorable results.

How can natural human instincts cause problems with gambling?

People use basic strategies, such as determination and perseverance, to help them succeed in most endeavours. However, when people try to apply these strategies to gambling, they can get into great difficulty.

Chapter Five
A CANADIAN PERSPECTIVE

In 1969, amendments to the Criminal Code of Canada legalized gambling and gave provinces the authority to license and operate lotteries and casinos. After this date, each province started to develop its own gaming policies and practices independently of each other.

Under the Criminal Code, only provincial governments can conduct and manage gaming activities. While the governments may opt to contract out some of the functions, the contractors remain under the authority of the province. The way gaming is organized differs slightly from province to province. The chart on the next page identifies some of the differences.

How has legalized gambling changed in Canada over the last 20 years?

From a national perspective, lotteries were the main activity for the first 20 years once gambling was legalized. By the end of the 1980s, they were bringing almost $2 billion in total revenue per year.[1]

That changed dramatically with the establishment of the first government casino in Winnipeg in 1989 and the introduction of the first legal VLTs in New Brunswick in 1990.[2] Between 1991 and 1999, lottery revenues in Canada increased 19%, while revenues from casinos and electronic gaming machines increased 842%.[3] Their addition boosted overall gambling revenues in Canada from $2.7 billion in 1992 to $9 billion in 1999.[4] This represents a 233% increase for the gambling industry compared to a 14% growth rate in all other industries. At the same time, gambling accounts for only a fraction of the economic activity in Canada, specifically 0.1% of GDP in 1997.[5]

What percentage of gambling revenues in Canada comes from casinos and VLTs?

While casinos and VLTs made up 10% of total gambling revenues in 1992, that figure had grown to 59% by 1997.[6]

How many VLTs are there across Canada and where are they located?

Almost 40,000 VLTs are in place across the country. Figure 5 below outlines the number of VLTs and VLT sites in each province, as well as the number of machines per 1,000 people and the VLT revenue in millions of dollars for 1999-2000.[7]

What is the relationship between household income and household expenditure on gaming activities?

A 1996 Family Expenditure Survey (FAMEX)[8] found that household expenditure on gaming increased with household income. However, those households with higher incomes spent proportionally less than those households with lower incomes. For example, the annual average spending on gaming activities for households with an income of less than $20,000 was $296, or 2.2% of their total income. In contrast, households with an income of $80,000 or more spent an average of $536, which is only 0.5% of total income.[9]

What is the annual profit from legal gambling activities to provincial governments across Canada?

While overall gambling revenue grew, so did profits to provincial governments. On

Figure 5: VLTs Across Canada

Province	# VLTs	#VLT Sites	#VLTs per 1000 Adults	VLT Revenue: net (millions) 99/00
Quebec	15,221	4,141	0.7	$553.8
Alberta	6.000	1,266	2.8	$525.5
Saskatchewan	3,567	641	4.8	$173.6
Manitoba	5,261	580	5.8	$137.4
Nova Scotia	3,234	600	0.8	$111.6
Newfoundland	2,530	549	1.3	$61.0
New Brunswick	2,795	776	1.3	$53.4
Prince Edward Island	414	92	0.9	$7.7
British Columbia	none	none	N/A	N/A
Ontario	none	none	N/A	N/A

Source: Azmier, Jason J. Gambling in Canada 2001: An Overview. Canada West Foundation. August 2001.

Figure 6: Description of Bodies Responsible for Gambling

PROV.	GOVERNMENT AGENCIES
BC	**Regulatory:** Gaming Policy Secretariat - under Ministry of Public Safety and Solicitor General; Gaming Audit and Investigation; BC Gaming Commission (BCGC) **Operating:** BC Lottery Corporation (BCLC); Western Canada Lottery Corporation (WCLC)
AB	**Regulatory:** Ministry of Gaming; Alberta Gaming and Liquor Commission (AGLC); Alberta Gaming Research Council **Operating:** AGLC; WCLC
SK	**Regulatory:** Saskatchewan Liquor and Gaming Authority (SLGA); Saskatchewan Indian Gaming Association (SIGA) **Operating:** SLGA; Saskatchewan Gaming Corporation; Saskatchewan Lotteries; WCLC
MB	**Regulatory:** Manitoba Gaming Control Commission (MGCC); Manitoba Native Gaming Control Commission **Operating:** Manitoba Lotteries Corporation (MLC); WCLC
ON	**Regulatory:** Alcohol and Gaming Commission of Ontario (AGCO) - reporting to the Ministry of Consumer and Business Services; Management Board Secretariat; Ontario Illegal Gaming Enforcement Unit (OIGEU) **Operating:** Ontario Lottery & Gaming Corporation (OLGC) - reporting to the Ministry of Tourism, Culture and Recreation
QC	**Regulatory:** Régie des alcools, des courses et des jeux - under Ministère de la Sécurité Publique **Operating:** Lotto-Québec; Société des loteries vidéo du Québec (subsidiary of Loto-Québec); Société des bingos du Québec (subsidiary of Loto-Québec)
NB	**Regulatory:** New Brunswick Department of Public Safety **Operating:** Atlantic Lottery Corporation (ALC); Lotteries Commission of New Brunswick
NS	**Regulatory:** Nova Scotia Alcohol and Gaming Authority (NSAGA) **Operating:** ALC; Nova Scotia Gaming Corporation (NSGC)
PE	**Regulatory:** PEI Lotteries Commission; Office of the Attorney General for Charitable Gaming **Operating:** ALC
NF	**Regulatory:** Department of Government Services and Lands, Trades Practices and Licensing Division **Operating:** ALC
YK	**Regulatory:** Department of Community and Transportation Services **Operating:** Lotteries Yukon; WCLC
NW	**Regulatory:** Department of Municipal and Community Affairs **Operating:** WCLC
NU	**Regulatory:** Department of Community Government and Transportation **Operating:** WCLC
Federal	Department of Justice oversees the Criminal Code. Federal Government receives $53.7 million from provinces in 1999/00 to not operate federal lotteries. The Canadian Pari-Mutuel Agency (CPMA), a division of Agriculture and Agri-Food Canada. The CPMA regulates and supervises pari-mutuel betting on horse racing at race tracks across Canada. The federal levy on horse racing was $14.2 million in 2000.
Inter-provincial	Interprovincial Lottery Corporation (ILC) joins together the five Canadian lottery corporations and operates Lotto 6/49, Super 7 and Special Event (Celebration).

Source: Azmier, Jason J. Gambling in Canada 2001: An Overview. Canada West Foundation. August 2001.

a national scale, profits rose from $1.7 billion in 1992[10] to $5.6 billion in 1999.[11]

How much money do Canadians lose gambling?

In 2000, the average total loss for each adult age 19 and over on provincially-run gambling was nearly $400. The province with the highest total loss per capita is Manitoba ($492), followed by Quebec, ($476), Nova Scotia ($470) and Alberta ($464).[12] The net loss per adult age 19 and over for the other provinces can be found in Figure 7.

Figure 7: Net Loss Per Adult Age 19 + Across Canada

Manitoba	$492
Quebec	$476
Nova Scotia	$471
Alberta	$464
Saskatchewan	$450
Newfoundland	$424
Ontario	$384
New Brunswick	$343
Prince Edward Island	$278
British Columbia	$182

Source: *Gambling in Canada 2001: An Overview. Aug. 2001.*

How has the increase in gambling across the country affected employment opportunities in the industry?

In 1992, there were about 12,000 jobs available in the gambling industry. In 1997, the number of jobs had risen to 35,000, which is almost a 200% increase. In all other industries, the increase in the number of jobs in this time period increased by only 8%.[13]

Do First Nations have gaming opportunities?

Some First Nations across Canada, viewing gaming expansion as a means of economic and community development, contend that control and regulation of gambling activities on their lands should be under their sole jurisdiction. Recent court decisions, however, have upheld the government's authority to regulate and control gambling within respective provinces. Accordingly, the status of First Nations gaming development varies by province. Prepared by the Province of British Columbia

as part of its evaluation for gaming expansion in 1997, the following information provides a brief description for each province.[14]

Note: the terms "preferential revenue split" and "pooling mechanism" are used here.

Preferential revenue split indicates that the revenue sharing agreements between government and First Nations VLT sites are unique from agreements between government and commercial sites – with a greater share going to First Nations communities.

Pooling mechanism for sharing revenues refers to a special agreement whereby gaming revenues for native communities are pooled at a provincial level and shared by all First Nations groups, as opposed to revenues staying with the native communities that host casinos or VLT sites.

NEWFOUNDLAND/P.E.I.: No First Nations gaming.

NOVA SCOTIA: First Nations and charities each receive 50% of profits from one full-service casino. First Nations may self-license charitable gaming.

NEW BRUNSWICK: First Nations are permitted to apply for charitable gaming licences. VLTs are available through the standard process (preferential revenue split). There is no pooling mechanism for sharing revenue.

QUEBEC: One First Nations band is permitted to operate bingo on reserve lands. VLTs are available, through the standard process, for on-reserve liquor licensed premises. There is no pooling mechanism for sharing revenue.

Figure 8: Location of Canada's Commercial Casinos

NOVA SCOTIA

Sheraton Casino Sydney
- opened in 1995

Sheraton Casino Halifax
- opened in 1995

QUEBEC

Casino de Charlevoix
- opened in La Malbaie-Pointe-au-pic in 1994

Casino de Montreal
- opened in 1993
- open 24 hours a day as of September 1997

Casino de Hull
- opened in 1996

MANITOBA

Club Regent
- opened in Winnipeg in 1993

McPhillips Street Station
- opened in Winnipeg in 1993

Aseneskak
- First Nations casino
- opened in The Pas in early 2002

ONTARIO

Casino Niagara
- Canada's largest casino
- opened in 1996 as a temporary or interim casino

Casino Rama
- a three-way partnership between the province, the Chippewas of Rama (Mnjikaning) First Nation and the private sector
- opened in 1996

Casino Windsor
- opened as an interim facility in 1994
- replaced by a permanent complex in 1998

Northern Belle Casino
- the only riverboat casino in Canada
- was added in 1995 to alleviate overcapacity crowds at Casino Windsor

BRITISH COLUMBIA

B.C. has sixteen government casinos as of March 17, 1999. These casinos are smaller than those in other provinces. (e.g. the largest casinos in B.C. contain a total of 300 slot machines and 30 table games compared with 2,670 slot machines144 table games and in Casino Niagara in Ont.

SASKATCHEWAN

Casino Regina
- opened in January 1996

Silver Sage Casino
- opened in Regina in 1994
- a full-time exhibition casino

Emerald Casino
- opened in Saskatoon in 1994
- a full-time exhibition casino

Four **First Nations** casinos are under the regulation of the Saskatchewan Indian Gaming Authority. They are:

Gold Eagle Casino
- opened in North Battleford in 1996

Northern Lights Casino
- opened in Prince Albert in 1996

Bear Claw Casino
- opened on the White Bear Reserve in 1996

Painted Hand Casino
- opened in Yorkton in 1996

Figure 9: Gambling Revenues By Game By Province							
PROVINCE	VLTS	LOTTERIES	CASINOS	BINGOS	RAFFLE/ PULL TICKET	HORSE RACING	PROV. NET GAMING REVENUE
BC	0	287.8	242.2	50.0	18.9	47.5	532.0
AB	525.5	156.0	174.4	54.8	31.3	30.7	856.0
SK	173.6	49.5	33.2	23.3	14.9	3.4	254.0
MB	137.4	46.9	57.3	11.2	7.5	7.8	236.0
ON	180.9	731.9	985.3	155.0	141.0	276.3	1,974.0
QC	553.8	480.0	290.7	39.2	26.2	46.5	1,328.0
NB	53.4	41.1	0	10.7	3.7	2.3	87.0
NS	98.5	53.0	30.7	14.0	4.8	3.2	178.0
PE	7.7	7.7	0	2.6	1.6	1.8	13.0
NF	61.0	38.7	0	1.6	7.1	0.2	101.0

Source: Azmier, Jason J. Gambling in Canada 2001: An Overview. *Canada West Foundation. August 2001.*

ONTARIO: There is one dedicated full-service First Nations Casino which is owned by the Rama First Nation and operated by a private contractor under the direction of the Ontario Casino Corporation. Rama First Nation receives no share of casino profit, only economic spin-offs. Resulting revenues are pooled for the provincial Aboriginal population.

MANITOBA: First Nations communities may establish a native gaming commission through a provincial order in council to license specified gaming activities on reserves. First Nations may also apply for charitable gaming licences from the Manitoba Gaming Control Commission. VLT agreements are negotiated with the Manitoba Lotteries Commission (preferential revenue split). There is no pooling mechanism for sharing revenue.[15]

SASKATCHEWAN: First Nations receive 25% of net revenue from Casino Regina and have seats on the board. In addition, there are four First Nations casinos. Profits are shared among First Nations through the Federation of Saskatchewan Indian Nations.

ALBERTA & BRITISH COLUMBIA: There are no specific provisions made for First Nations gaming in either of these provinces. First Nations may apply for charitable licences through the regular process.

Are gaming opportunities increasing in other parts of the world?

Some parts of the world, especially the United Kingdom and Australia, have seen an increase in the number of legal forms of gambling in the recent past. For example, gambling represents the 12th largest industry in the European Economic Community or Common Market.[16]

In the United Kingdom, the Gaming Act was implemented in 1968 and became known as a humane gambling regulatory system. It provided for regulated gambling to meet unstimulated demand and is credited with eliminating protection rackets, reducing the number of casinos, making bingo a neighbourly form of gaming for modest prizes, and essentially protecting the public from the worst of the gambling industry's exploitive side.[17]

The Australian casino system, which started when the first casino opened in Tasmania in the late 1960s, initially followed the U.K. model of meeting unstimulated demand for gambling. Since then, it has purportedly moved towards the promotional style of the U.S. gambling industry.[18]

Chapter Six

GAMBLING IN MANITOBA

MANITOBA'S GAMING HISTORY

What is the recent history of gaming in Manitoba?

Gaming has a 30 year history in Manitoba. It started to develop after the 1969 amendments to the Criminal Code legalized gambling.

Here are some key dates and events that have occurred in Manitoba since the mid-1980s:[1]

1986

- The Winnipeg Convention Centre becomes the permanent site for seasonal casinos.

1989

- The Crystal Casino, Canada's first permanent gambling venue, opens in Winnipeg. It features slot machines, blackjack, roulette and baccarat, replacing operations at the Convention Centre and the majority of rural locations. Proceeds are directed to special health care projects in the province.

1990

- "Sport Select," a new series of sports wagering games, is introduced.
- The Pas Indian Band establishes Canada's first Native Gaming Commission through an agreement with the Manitoba Lotteries Foundation. By 1995, 21 Native gaming agreements, representing 24 First Nations, are signed.

1991

- Video lottery terminals (VLTs) are introduced in rural Manitoba.

1993

- Club Regent and McPhillips Street Station open in Winnipeg, offering bingo, slot machines and other forms of electronic gaming.
- The Manitoba Lotteries Foundation, which had been in place since 1984, becomes a crown corporation called the Manitoba Lotteries Corporation (MLC).
- The number of VLTs in age-restricted locations outside Winnipeg has reached 2,100. In Winnipeg, 1,800 VLTs are introduced.
- A moratorium is placed on the expansion of VLTs and casino sites.
- The Addictions Foundation of Manitoba (AFM) is authorized to establish a problem gambling program budget at $2.5 million over the next 4 1/2 years.

1994

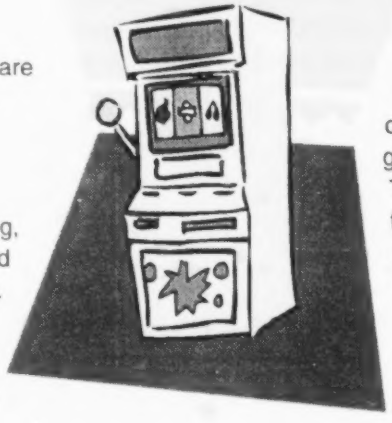
- By September, there are 5,300 VLTs in 578 locations throughout the province.
- The moratorium is further defined so there will be no installation of additional machines at existing or new sites.

1995

- The government establishes the 14-member Gaming Policy Review Commission to review lottery and gaming policy in Manitoba.
- Additional funding is provided to the AFM (approximately $1 million annually).

1996

- The Gaming Policy Review Commission issues a report in January outlining a number of recommendations. In June, the government implements the first and main recommendation of the review committee by introducing legislation to establish an independent gaming commission. Under the new system, the gaming commission regulates and controls gaming activity in the province. The Manitoba Lotteries Corporation focuses solely on marketing and operations and is regulated by the commission.



- In the same month, the government announces an implementation plan to address several other

recommendations of the review committee. Highlights of the plan include:

- a 10 per cent reduction in the number of VLTs;
- a reduction in the number of VLTs operating at one site from the current limit of 40 to a maximum of 30;
- a feasibility study to review all options concerning a new casino or consolidation of the Crystal Casino with the Club Regent and McPhillips Street Station operations;
- a complete review of the VLT program every two years by the gaming commission;
- the exclusion of lifestyle advertising;
- a two-year transition period given to VLT site-holders to screen the VLTs from view by minors;
- a review by the gaming commission of the concept of municipal plebiscites to prohibit VLTs in their jurisdictions.

1997

- The Manitoba Gaming Control Commission (MGCC) commences operations on October 20.
- The Crystal Casino closes in spring 1999 and casino operations are consolidated with the expansions of Club Regent and McPhillips Street Station.

1998

- The government announces the addition of food and licensed beverage areas along with live entertainment and casino table games at Club Regent and McPhillips Street Station.
- The Addictions Foundation of Manitoba conducts training programs for personnel of video lottery terminal sites across the province to assist problem gamblers.
- Additional funding is provided to the AFM ($1.5 million annually effective April 1, 1998).

1999

- 40,000 square foot additions to Club Regent and McPhillips Street Station are completed in time for the Pan Am Games in summer 1999.

LEGISLATION & REGULATION IN MANITOBA'S GAMING INDUSTRY

How is gaming regulated in Manitoba?

Each Canadian province has authority over lotteries and gaming within its borders pursuant to the Criminal Code of Canada.

In Manitoba, lotteries and gaming activities are operated and managed by the Manitoba Lotteries Corporation (MLC), a crown corporation of the provincial government. The MLC reports directly to the minister responsible for lotteries and is regulated by the Manitoba Gaming Control Commission. The MGCC was established as a direct result of recommendations made by the Gaming Policy Review Commission. It commenced operations in October 1997.[2]

What is the role of the Manitoba Lotteries Corporation?

The MLC is responsible for gaming-related marketing and operations. Specific duties include:[3]

- managing and operating Club Regent and McPhillips Street Station. The MLC owns both of these gaming venues;
- selling and distributing lottery products for lotteries operated by the Western Canada Lottery Corporation and the Interprovincial Lottery Corporation, such as Lotto 6/49, Instant Tickets and Super 7, in more than 800 retail locations in Manitoba;
- managing and operating video lottery terminals (VLTs) in locations throughout the province, as well as video tote machines at Assiniboia Downs. (Video tote machines are combination VLT and pari-mutuel wagering machines.);
- selling of breakopen tickets and bingo paper throughout the province.

The MLC is not responsible for:

- bets made on horse racing (which is governed by the Manitoba Horse Racing Commission – see page 28 for more information on this topic;
- raffles offering prizes under $3,000 (which are licensed by municipalities).

What is the role of the Manitoba Gaming Control Commission?

The MGCC is responsible for:[4]

- regulating and controlling gaming and acting as a policy advisory to government on issues related to gaming;
- overseeing First Nations gaming in the province;
- licensing of charitable and religious organizations for gaming-related activities;
- providing security and investigative services, such as ensuring that all lottery suppliers, employees and equipment are registered;
- conducting public hearings and appeals; addressing complaints related to lotteries and gaming.

What is charitable gaming and how does it work in Manitoba?

Charitable gaming is when a charitable or religious organization holds a gaming activity to raise money for a cause that will benefit the community. One example is a hospital selling tickets on a chance to win a house with the proceeds going towards cancer research. Another is a community club holding a bingo to raise money for a new arena.

If a charitable organization wants to hold a gaming activity, it must apply to the MGCC for a licence. Once a licence is granted, the organization must follow the terms and conditions set out by the MGCC.[5]

What do you have to do to become a retailer of lottery tickets?

A prospective retailer must apply to the MLC to be able to sell lottery tickets. The retailer's location potential is evaluated based on its ability to generate incremental lottery sales and profits. Over 300 applications are reviewed each year, but the MLC only proceeds with one or two. There are 840 retailers of lottery tickets in the province, which equals about one for every 1,200 people.[6]

How do lottery ticket retailers get paid?

Lottery ticket retailers earn a 5% sales commission and an additional 2% for redeeming winning tickets up to $1000.[7]

Who owns the lottery kiosks in the malls?

Lottery kiosks are privately operated by the person who has entered into an agreement with the MLC to sell lottery tickets. These agreements are the same no matter where the tickets are sold, whether it be at a convenience store or in a mall kiosk. Expenses incurred by the lottery ticket seller, such as the cost of operating a kiosk, are the responsibility of the seller.[8]

Do you have to be a certain age to buy a lottery ticket, such as a 6/49 or Sports Select?

The MLC strictly enforces a policy stating that players must be at least 18 years of age to purchase or sell lottery tickets, to play VLTs or to participate in gaming activities at casinos and entertainment centres. However, there is no actual law restricting the age one must be to purchase or sell lottery tickets.[9]

Is liquor allowed in the casinos?

Whereas gamblers at Casino Regina and American casinos can drink while they are gambling, liquor is offered only in the restaurant and lounge areas at Club Regent and McPhillips Street Station.[10] (Manitobans are permitted to drink while playing VLT machines as these are located in licensed areas, such as hotels and lounges.)

Does Manitoba allow bank machines in casinos?

No. Unlike Casino Regina, there are no bank machines on the premises at Club Regent or McPhillips Street Station.

What is the difference between a slot machine and a video lottery terminal ?

Players of slot machines get their pay-outs in coins that drop into a trough on the machine. If desired, players can receive prizes of over 500 coins by cheque. Slot machines accept 5¢, 25¢ and $1 coins. Prizes offered depend on the game played and amount wagered. For example, progressive slot machines are available offering a jackpot that grows from $250,000.

When VLT (video lottery terminal) players want to cash out, they get a ticket from the machine which indicates their pay-out. The ticket must then be taken to a cashier on-site to be cashed in. VLTs accept both 25¢ and $1 coins. Players must wager from one credit (25¢) to five credits ($1.25). The maximum prize is $1000.

In Manitoba, slot machines are found only in Club Regent and McPhillips Street Station. VLTs are allowed in Manitoba Liquor Control Commission licensed venues that serve alcoholic beverages, such as cocktail lounges and hotel beverage rooms.

How many VLTs are there in Manitoba and where are they located?

Manitoba ranks first across the country for the highest number of VLTs per capita. (See Figure 5 on page 19 in Chapter Five for details.)

Figure 10 below, provided by the MLC, shows the number of machines available and how these machines are distributed throughout the province as of December 2002.

Figure 10: Location of Video Lottery Terminals in Manitoba (as of Dec. 2002)

	#VLTS	#SITES
Rural Hotels/Lounges	2,205	298
Rural Veterans Clubs	245	42
Winnipeg Hotels/Lounges	1,871	207
Winnipeg Veterans Clubs	159	22
First Nations	573	26
Assiniboia Downs	140	1
	5,193	596

Source: Manitoba Lotteries Corporation.

How much of the total gambling profits in Manitoba come from VLTs?

VLTs are the greatest source of gambling revenue in the province. The MLC's 2002 annual report indicates that VLT revenues represented $136.2 million or 55% of the total gambling profits for Manitoba.

Who owns the VLTs in operation in Manitoba?

VLTs are owned by the MLC. Owners of Manitoba Liquor Control Commission bars and lounges must apply to the MLC if they want to become a "siteholder." They must meet terms and conditions set out by the MLC. If they do, a VLT agreement is signed.[11] These signed agreements are then registered by the MLC with the Manitoba Gaming Control Commission (MGCC).

What percentage of the VLT revenue do siteholders receive?

Siteholders receive 20% of the gross proceeds after the prizes are paid out. This amounted to $59 million in 2001/2002.[12]

Are there any programs to identify problem VLT gamblers in the community?

Yes. The Addictions Foundation of Manitoba, in partnership with the MLC, the MGCC and representatives from the hotel and restaurant industry, initiated the "Problem Gambling Assistance Program" as a pilot project in winter 1998.

These one-day training sessions are designed to help staff (personnel of hotels, restaurants, casinos and other venues in which gaming may occur) to identify problem gamblers, no matter what gaming activity they may be involved with. However, because many of the participants work in venues that offer VLTs as the only gaming activity (hotels, for example), the program focuses primarily on gamblers who may be having a problem with VLTs.[13]

A survey of Problem Gambling Assistance Program participants completed in March 1999 revealed that an early intervention program of this type is needed and useful; prior to the

training session, 80% of those surveyed were aware of a customer in their venue with a gambling problem. Almost all of the participants said they would "definitely recommend" the program to others in their industries.[14]

MANITOBA'S GAMBLERS

How many Manitobans gamble?

According to a prevalence study completed by the AFM in 2001[15], 85% of adult Manitobans participated in at least one gambling activity in the previous year.

How much do Manitobans spend on gambling?

On average, every adult Manitoban spent $568 over the fiscal year 2001-2002. This figure was calculated using the gross gambling revenues as reported in the MLC Annual Report 2002 and the number of Manitobans of legal gambling age according to census information.[16] As many people spend less than this amount, it means that some gamblers may spend substantially more.

FIRST NATIONS GAMING AGREEMENTS

What is a First Nations gaming commission?

In 1990, the Province reached agreement with First Nations groups regarding jurisdiction over gaming on reserves. New gaming agreements continue to be negotiated as First Nations gambling develops. First Nations agreements give an on-reserve gaming commission the authority to license gaming events on the reserve, including bingos, raffles, breakopen tickets and other licensable events. This means that a charitable organization planning to run a gaming event on the reserve (a bingo, for example) obtains a licence from the reserve's gaming commission rather than from the MGCC. (Charitable organizations operating on reserves without gaming commissions may apply to the MGCC for licences.)[17]

Can First Nation Reserves have VLTs on their land?

Yes. The MLC has VLT agreements with 15 First Nations Gaming Commissions. A reserve can operate up to 40 VLTs. They must be located in age-restricted establishments.[18]

What is the commission kept by the First Nation Reserve?

Ninety per cent of the net revenue from VLTs goes to the reserve; 10% goes back to the MLC for administration costs.[19]

THE ECONOMICS OF GAMING IN MANITOBA

How much money was raised through gaming in Manitoba in 2001-02?

The MLC's 2001-02 Annual Report indicates that the net revenue was $248.2 million. Video lottery revenue was $141.4 million, lottery tickets brought in $51.8 million, while the two casinos, McPhillips Street Station and Club Regent, brought in a combined revenue of $67.4 million. Figure 11 below shows the breakdown.[20]

Figure 11: Net Income from Gaming Sources: 2001-02
(in millions)

Video lottery	$141.4
Lottery	$51.8
McPhillips Street Station	$33.4
Club Regent	$34.0
Total	$260.6
Administrative Expenses	$12.4
Total Net Income	$248.2

Source:
Manitoba Lotteries Corporation Annual Report: 2001-2002

Do charitable organizations pay a licensing fee?

Yes. Organizations that run charitable gaming events pay a licensing fee to the MGCC. The fees are used by MGCC to cover the cost of administration and regulatory activities.

The fee for ongoing bingos, one-time bingos, raffles, wheels of fortune, Calcutta auctions and sports drafts is 1.5% of the gross revenue. The fee for a Monte Carlo event is $5 per table per day. There is no fee for breakopen ticket licences.[21]

Who gets the money raised from gaming in Manitoba?

The majority of revenue generated through MLC gaming activities is distributed to the provincial government where it is used to meet the overall priorities of Manitobans and to support social programs and local community activities. (Prior to 1995, these funds were earmarked for specific projects, such as health and educational projects, transfers to local governments and deficit reduction.)[22]

A portion of the revenue goes to other recipients. Of the $248.2 million in revenue in the 2001-02 fiscal year, $3.9 million went to charitable organizations for their work as volunteers at the MLC bingos, and $1.8 million was distributed to the Addictions Foundation of Manitoba. The remaining income is drawn into the general revenue fund of the Province of Manitoba.[23]

A portion of VLT revenue (35%) is dedicated to specific programs. Of this revenue, 10% is allocated unconditionally to municipalities on a per capita basis; the remaining 25% supports continued growth and economic development through both the Urban and Rural Economic Development Initiatives.[24]

How do gambling profits compare to other sources of revenue for the government?

Net profits from gambling in Manitoba in 1999 were $236 million, representing 4.01% of the provincial government's own source revenue.[25]

How much money was allocated by MLC for the rehabilitation of problem gamblers?

The Addictions Foundation of Manitoba received $1.8 million from the MLC in 2001-02 for gambling related services.[26] These services include rehabilitation programs for problem gamblers, prevention and education programs, a youth problem gambling program, the Manitoba Problem Gambling Helpline and research and program evaluation.[27]

HORSE RACING IN MANITOBA

How many horse racing tracks are there in Manitoba?

Assiniboia Downs in Winnipeg offers thoroughbred racing. About 10 rural tracks apply for and receive licences to run harness racing during two and three day events held throughout the year.[28]

What is pari-mutuel betting?

Pari-mutuel betting is used at the race track. Bettors pick a horse they think will win (come in first), place (come in second) or show (come in third). Pay-outs depend on the odds of the horse winning, placing or showing.* If a lot of people bet that a horse will win, the pay-out will be less. If few people bet that the horse will win, the bet is known as a "long shot," but the pay-out will be higher.

In pari-mutuel betting, the house take is fixed and all of the residual money raised through betting is paid out to the bettors based on a calculation of odds.[29] (An example of a calculation of odds is found on the next page in the question "Where does the money wagered through betting on horse races go?")

*Note: There are other forms of pari-mutuel betting besides win/place/show.

Where do you go to bet on horse races?

Bets can be placed at the track or at one of nine teletheatres located in licensed hotels in Winnipeg. Teletheatres have television screens

on which live races at Assiniboia Downs are broadcast. Bets placed at a teletheatre are electronically recorded in the same pool as bets coming in at the race track. Simulcast wagering, which allows bettors to wager on races occurring at race tracks across Canada and the U.S., can also be done at the teletheatres.

Another way that bettors can wager is by TAB (Telephone Account Betting). To do this, bettors set up an account at the track, which allows them to phone in bets for a race. They can then watch the race on cable television.[30]

What is the minimum and maximum bet that can be placed on a horse race?

The minimum bet is $2.00. There is no maximum.

Where does the money wagered through betting on horse races go?

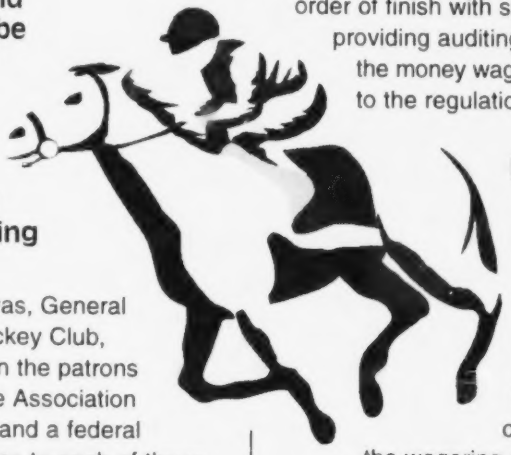
According to Sharon Gulyas, General Manager of the Manitoba Jockey Club, the money is divided between the patrons who have winning tickets, the Association (racetrack), a provincial levy and a federal levy. The percentage that goes to each of these depends upon the type of wager. For example, on a win/ place/show wager, 7.5% goes to the province, 0.8 % goes to pay the federal levy, 9.7% goes to the track and the rest (82%) goes to patrons with winning tickets.[31]

How does the province spend its percentage?

According to Wayne Anderson of the Manitoba Horse Racing Commission (MHRC), the money is all returned to the industry. Percentages go to three places: to fund the regulatory and administrative activities of the MHRC, to assist the breeding industry and to support the purses offered at the race tracks. The latter assists tracks in offering attractive purses so that horse owners will come to Manitoba.[32]

How is the federal levy allocated?

The federal levy goes to the Canadian Pari-mutuel Agency, where it is spent on the regulatory activities it provides. These activities include: post race testing of horses for banned substances; filming entire races (race patrol service) and taking still photos of the official order of finish with specialized equipment; and providing auditing services to ensure that the money wagered is distributed according to the regulations.[33]



How do the owners of the horses get paid?

Owners race for purses offered by the track. The track has a "purse pool" which it builds up through money contributed from its take of the wagering money. At Assiniboia Downs in Winnipeg, a purse might be $10,000. Sixty percent of that goes to the first place winner, 20% goes to second place, 10% goes to third place, 5% goes to fourth place, 3% goes to fifth place and 2% goes to the HBPA (Horseman's Benevolent and Protective Association), a group that represents the horsemen.[34]

How do the jockeys get paid?

The owner of the horse pays the jockey out of the winning purse. If the horse doesn't win, a minimal jockey fee is paid (usually about $40).[35]

Chapter Seven

PREVALENCE & CONSEQUENCES OF PROBLEM GAMBLING

What is the prevalence of gambling in Manitoba's general population?

According to a recent AFM survey examining the prevalence of gambling among Manitoba's adult population, 85% of adult Manitobans have participated in at least one gambling activity in the past year.[1]

What are the favourite gaming activities of gamblers in the general population?

The same AFM survey asked respondents what types of gambling activities they had participated in during the previous year. Buying lottery tickets was the most popular activity: 61% of respondents purchased them at least once in the the past year. Buying raffle tickets came in second, with 59% making a purchase in the past year. Almost 30% played VLTs and 24% bought scratch tickets. Other activities and the percentage of respondents who participated in them during the past year are found in Figure 12 below.[2]

Figure 12: % of Gamblers Who Participated in Different Activities in the Past Year

ACTIVITY	% REPORTING
Lottery tickets	61.0
Raffle tickets	59.0
VLTs	28.0
Scratch tickets	24.0
Slots in casinos	18.0
Bingo	10.0
Other sports events	5.8
Horses	4.6
Sports Select	4.3
Table games - casinos	4.1
Keno	3.0
Internet	0.3

Source: Gambling Involvement and Problem Gambling in Manitoba. *Addictions Foundation of Manitoba. 2002.*

What are the demographic differences between gamblers and non-gamblers in Manitoba's general population?

A 1995 study by Criterion Research Corporation completed for the Manitoba Lotteries Corporation found that gamblers (those who have participated in any gambling activity in their lifetime) and nongamblers (those who have never gambled) differed significantly in two areas: education and household income. Gamblers are significantly more likely to have at least a high school education (84%) than non-gamblers (70%). Gamblers were also significantly more likely to have annual household incomes of over $25,000 (72% for gamblers versus 54% for non-gamblers). In terms of gender, age and marital status, the survey found gamblers and non-gamblers to be similar.[3]

What is the prevalence of problem gambling in Manitoba?

According the AFM gambling prevalence study, 3.8% of the population of Manitoba are problem gamblers and 2.3% are probable pathological gamblers.[4] (See Figure 13.) This data was compiled using the South Oaks Gambling Screen (SOGS).

The same study looked at data compiled using a new instrument called the Canadian Problem Gambling Index (CPGI), which was developed in a joint provincial effort. The rates of problem gambling in Manitoba's general population using this instrument were as follows: low risk – 6%; moderate risk – 2.3%; problem gambler – 1.1%. (See Figure 14 next page.)

It should be noted that the rates of problem gambling found by the SOGS and the CPGI can't be compared because they use different scoring categories and definitions of problem gambling.

Figure 13: Problem Gambling Rates in Manitoba Based on the *SOGS

18 yrs+	MB 2001	MB 1995	MB 1993
Problem	3.8	2.4	2.9
Probable Pathological	2.3	1.9	1.3
Combined Rate	6.1	4.3	4.2

*South Oaks Gambling Screen

Figure 14: Rates of Problem and At Risk Gambling In Canada Based on the *CPGI

18 yrs+	MB 2001	SK 2001	AB 2001	ON 2001	Average
Low Risk	6.0	9.3	9.8	9.6	8.7
Moderate Risk	2.3	4.7	3.9	3.1	3.5
Problem	1.1	1.2	1.3	0.7	1.1

*Canadian Problem Gambling Index

How does Manitoba's problem gambling rate compare to other provinces?

Based on recent provincial adult prevalence surveys, it appears that rates of problem gambling in Manitoba are in the same range as other provinces that have video lottery terminals (VLTs) in locations outside casinos. The two provinces that do not have VLTs – Ontario and British Columbia – consistently have lower problem gambling prevalence rates than other provinces. One of the difficulties in estimating problem gambling prevalence rates using provincial surveys is that the margins of error (uncertainty ranges) often are equal to the prevalence rates themselves.

How does Manitoba's problem gambling rate compare to the overall rate for North America?

The most recent data in response to this question is from 1997, when three researchers from the Harvard Medical School (Shaffer, Hall and Vander Bilt) attempted to come up with problem gambling prevalence rates for United States and Canada through a meta-analysis of 152 previously conducted independent studies from various geographical areas.[5] (A meta-analysis tries to establish more precise estimates of the prevalence of a phenomenon – such as problem gambling – by empirically integrating the findings of other studies.)

The analysis looked at studies from across the U.S. and Canada, including a 1995 problem gambling prevalence study completed in Manitoba by Criterion Research Corporation. The study found that past-year rates* of level 3 gamblers (gamblers with the most severe level of disordered gambling) are 1.14% of the adult general population.[6] The past-year rates for level 2 gamblers (gamblers with sub-clinical levels of gambling problems) are 2.8% of the adult general population.[7]

**Past-year rates represent the proportion of participants from the adult general population who have had a gambling problem in the past year.[8]*

How do these prevalence rates translate into actual numbers of people who are having difficulty with gambling?

Based on the Canadian 1996 census, the researchers estimated that, in Canada, approximately 300,000 adults are level 3 gamblers and 600,000 adults are level 2 gamblers.[9]

The researchers also estimated the approximate number of problem gamblers in the United States based on the U.S. 1997 census. They found that 2.2 million adults are level 3 gamblers and 5.3 million adults are level 2 gamblers.[10]

Is there a profile of a pathological gambler?

No – at least not one that is consistent from region to region. Numerous studies of gamblers in both the general population and in rehabilitation programs across Canada have come up with varying profiles of pathological gamblers.

For example, a study done by Addictions Foundation of Manitoba comparing gambling clients with substance abuse clients found that the gamblers were more likely to be married males age 35 to 50 with complete high school or post-secondary education. Gamblers were also more likely to be employed, own their own homes and have annual household incomes of $50,000 or over.[11]

However, an Alberta study of the general population presents a completely different profile. It found that probable pathological gamblers were more likely than non-problem gamblers to be single, divorced or separated males under 30 years of age with an annual household income under $20,000. The probable pathological gamblers were also more likely to

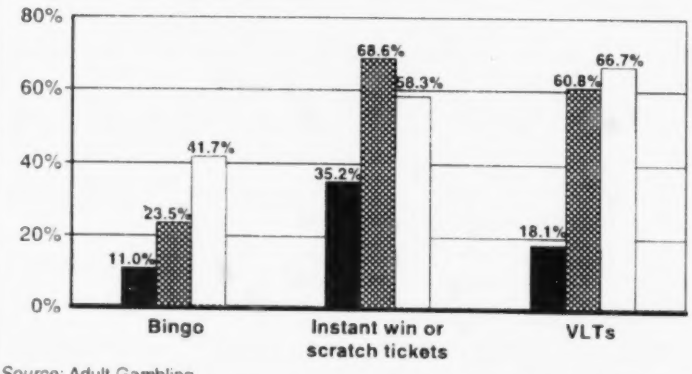
be Aboriginal in ethnic origin with lower education levels than non-problem gamblers.[12]

An Alberta study on gambling and problem gambling specifically among indigenous people revealed that in this sub-group, problem gamblers are more likely to be female than male.[13]

Do problem gamblers exhibit certain gambling habits?

While keeping in mind that profiles of gamblers differ from study to study, it is interesting to note some identifiable gambling habits found among probable pathological gamblers in Alberta. The general population survey found that these gamblers were more likely than non-problem gamblers to play all types of gambling activities and to play continuous-play games, such as VLTs.[14] See Figure 15.

Figure 15: % of Gamblers Who Bet on Continuous-Play Games by Level of Problem Gambling



Source: Adult Gambling and Problem Gambling in Alberta: Summary Report. 1998. *p. 8.*

What specific information is available about gamblers in Manitoba?

Recent prevalence studies[15] completed by AFM provide data concerning different population groups. For example, In the year 2000, 78% of senior respondents indicated that they had gambled in the past year. Of this senior group, 1.6% were considered to be problem gamblers while 1.2% were deemed probable pathological gamblers. Data on these factors for youth and for the general population is found in Figure 16.

More specific data about gamblers in Manitoba is available through detailed statistics which AFM has been keeping on an annual basis since1994-95 for clients in its adult gambling rehabilitation program and for callers to AFM's Gambling Helpline. Data from these sources provides valuable information concerning the profiles and patterns of problem and pathological gamblers.

Figure 16: Gambling Prevalence Rates in Manitoba for Various Population Groups

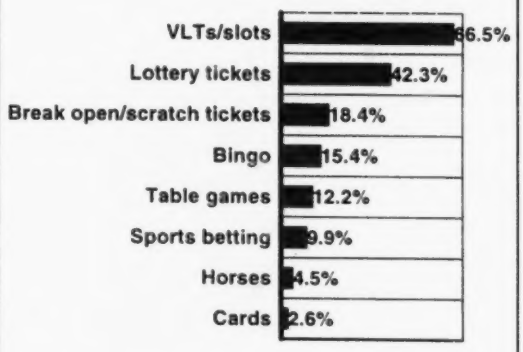
	% that gambled in last year	Problem (SOGS)	Probable Pathological (SOGS)
General Population: 2001	85%	3.8%	2.3%
Seniors: 2000	78%	1.6%	1.2%
Youth: 2001	50%	8.0%	3.2%

The information in the following section is derived from: a) forms completed by clients entering AFM's gambling program from April 2000 to March 2001, and b) statistics gathered between April 2000 and March 2001 about people who called AFM's Gambling Helpline.[16]

How many people are involved in AFM's Problem Gambling Services?

The number of admissions to AFM's Problem Gambling Services has increased substantially over the years since its inception. In 1993/94, there were 218 admissions, and these numbers have generally risen each year. In 2000/01, there were 927 admissions.

Figure 17: Games Played Weekly or More by AFM Clients



Source: Addictions Foundation of Manitoba

What gaming activities do AFM clients participate in and how often do they play?

The gaming activity chosen the most by AFM gambling clients is playing VLTs or slots – 66.5% play weekly or more. Other popular gaming activities among clients are buying lottery tickets (42.3% buy them weekly or more) and buying break open or scratch tickets (18.4% buy them weekly or more). Information on other gaming activities played by AFM gambling clients is found in Figure 17.

Where do AFM clients do their gambling?

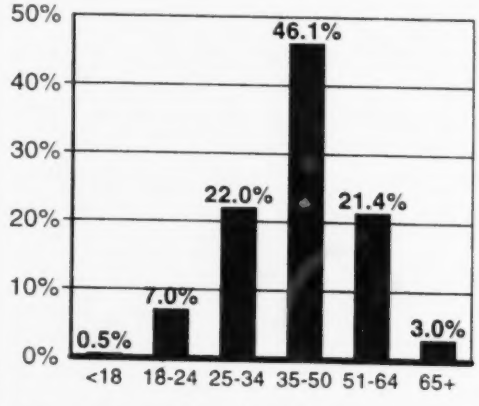
Consistent with the statistics on favourite gaming activities discussed above, the most popular venue of choice of AFM gambling clients is local hotels/restaurants, where VLTs are available: 60.6% reported gambling in these establishments weekly or more, with 15% reporting daily attendance. The second most popular venue is lottery outlets/kiosks, with 40.9% purchasing tickets there weekly or more.

McPhillips Street Station and Club Regent attracted 17.7% and 12.7% respectively of AFM gambling clients on a weekly or more basis. Other establishments attended by clients include legions, the race track and First Nation communities.

What were the ages of the clients involved in AFM's Problem Gambling Services?

The largest proportion of clients attending AFM's Problem Gambling Services were 35 to 50 years of age (46.1%). This age group was followed by gambling clients 25 to 34 years of age (22%). As shown in Figure 18, other age groups and the proportion of clients attending were: age 17 or less (0.5%), 18 to 24 (7.0%), 51 to 64 (21.4%) and 65+ (3.0%).

Figure 18: Age of AFM Gambling Clients



Source: Addictions Foundation of Manitoba

Are there more males than females in AFM's Problem Gambling Services?

Yes. Statistics from intake and assessment forms for AFM's Problem Gambling Services indicate that 54.8% of the program's clients were male and 45.2% were female. However, slightly more females than males called AFM's Problem Gambling Help Line: 51.7% of the callers were female and 48.3% were male.

What is the marital status of AFM's Problem Gambling Services clients?

Almost two thirds (61.4%) of the clients who attended AFM's Problem Gambling Services in 2000/01 were married. Of the remaining clients, 18% were never married, 9.3% were separated, 5.9% were divorced, 1.4% gave "other" as their marital status and 4.2% were widowed.

What level of education have AFM's gambling clients achieved?

Almost 30% of AFM Gambling Program clients have completed high school, while about one quarter reported incomplete high school. Just under 5% of the clients have less than a grade 9 education.

Some clients obtained more than a high school diploma. Specifically, 24.9% have a partial or complete community college or technical school diploma, and 13.9% have a partial or complete university degree. Graduate degrees were earned by 4.2% of the clients, and 2.5% have some other post secondary education.

What is the employment status of AFM's gambling clients?

Most of the clients in AFM's Problem Gambling Services are employed either full-time or part-time (71%), while 14.2% are unemployed. Homemakers make up 3.9%, students 1.1%, retired people 7.0%, and 2.8% are in the "other" category.

What are the occupations of AFM gambling clients?

Most of the gambling clients worked in one of four occupational groups: general labour (11.1%), managerial/administrative (9.8%), service occupations (8.9%) and sales (8.3%). The remaining clients worked in a variety of other occupations, including teaching, construction trade, clerical and social services.

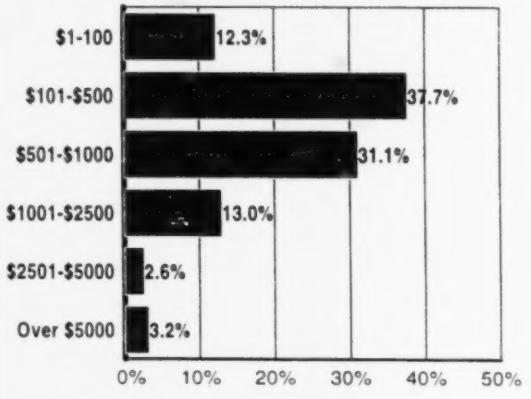
What is the household income of AFM's gambling clients?

AFM's gambling clients report a variety of levels of income, with the largest proportion earning $50,000 or more (30%). The percentage of those in the $30,000 to $39,000 income bracket (14.6%) was almost identical to those in the $10,000 to $19,999 bracket (14.3%). Those earning less than $10,000 accounted for 6.3% of clients, while 13.2% earned between $20,000 and $29,999. Just over 10% of clients earned between $40,000 and $49,000. A total of 11.1% of gambling clients either didn't know what they earned or declined to divulge the information.

How much money did AFM gambling clients spend on gambling each month over the past year?

Just over 37% of AFM gambling clients reported losing between $101 and $500 a month in gambling activities. A further 31.1% lost between $501 and $1000 a month, while 13% lost between $1001 and $2500. A small proportion of gamblers lost even more than this. For example, 2.6% lost between $2500 and $5000, and 3.2% lost over $5000. See Figure 19.

Figure 19: Amount Lost Gambling Per Month in Past Year

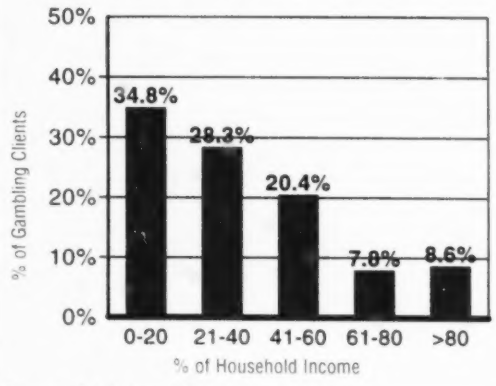


Source: Addictions Foundation of Manitoba

What percentage of household income did AFM gambling clients spend on gambling in the past year?

Just over one third of AFM gambling services clients reported spending between 0 and 20% of their household income on gambling activities. Over one quarter of clients (28.3%) spent between 21 and 40% of their income. At the other end of the scale, 8.6% of clients claimed to have spent over 80% of their family income on gambling. For a further breakdown of percentage of household income spent on gambling, refer to Figure 20 on the next page.

Figure 20: % of Household Income Spent on Gambling in Past year

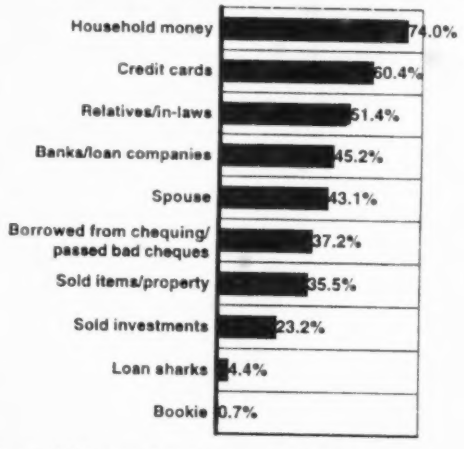


Source: Addictions Foundation of Manitoba

Where did AFM gambling clients get money to gamble?

A large proportion (74%) of AFM gambling clients took money from their household incomes to spend on gambling. Credit cards were the next most popular source of gambling money: 60.4% of clients reported using their cards to obtain the money they needed for gambling. Other clients (51.4%) received money from relatives or in-laws, while banks/loan companies and spouses were sources for 45.2% and 43.1% of clients respectively. Other sources of gambling money and the percentage of clients who used them are found in Figure 21.

Figure 21: Where Did AFM Clients Get the Money to Gamble?

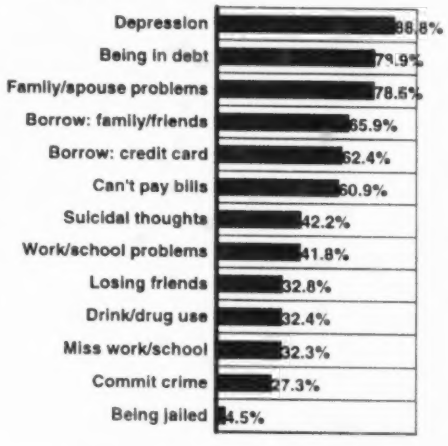


Source: Addictions Foundation of Manitoba

What are the consequences of problem gambling in the lives of AFM gambling clients?

Problem gambling has many negative consequences in the lives of AFM gambling clients. For example, a large proportion (88.8%) report that at some point in their lives they have felt depressed. Two other consequences, each reported by over three-quarters of the clients, are being in debt (78.9%) and experiencing problems with their families and/or spouses (78.6%). Also high on the list of gambling consequences is having to borrow from family and/or friends (65.9%) or from their credit cards (62.4%). Over 60% of clients reported not being able to pay their bills. Figure 22 shows other consequences of gambling reported by clients.

Figure 22: Consequences Experienced by AFM Gambling Clients

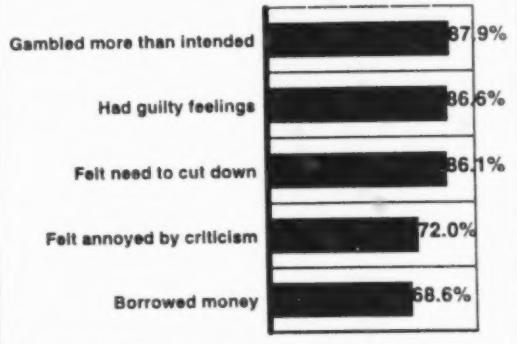


Source: Addictions Foundation of Manitoba

What are some other effects of gambling on AFM clients?

A large proportion of AFM clients report a variety of other negative effects of gambling in their lives. These include gambling more than they intended (87.9%), having guilty feelings about gambling (86.6%), feeling the need to cut down on gambling (86.1%), feeling annoyed by criticism from others about their gambling (72.2%) and borrowing money from friends, family or work to support their gambling (68.6%). See Figure 23.

Figure 23: Other Effects of Gambling on AFM Clients



Source: Addictions Foundation of Manitoba

Have things ever been so bad for AFM gambling clients that any have considered committing suicide?

Yes. Some clients have thought about suicide and have even attempted it. Responses to questions about suicide yielded the following results:

- over half (52.4%) have thought about suicide;
- of those who have thought about suicide, 35.1% have actually attempted it;
- of those who have attempted suicide, 48% have attempted it more than once.

Is there an association between substance use problems and gambling problems?

A 1998 study completed in Alberta shed some light on this subject. It revealed that problem gamblers were 1 1/2 times more likely than non-problem gamblers to be both frequent and heavy drinkers. (A frequent drinker is defined as someone who drinks weekly or daily. A heavy drinker is defined as someone who drinks three or more drinks per session.) The study also showed that problem gamblers were twice as likely as non-problem gamblers to be smokers.[17]

A study completed by the AFM in 1996 found some interesting data about gambling clients and alcohol use. While 86.2% of the problem gambling clients indicated that alcohol was their drug of choice, only 13.8% reported using it during the 45 days prior to admission to the gambling program. A possible explanation for this – based on observations by AFM gambling staff – is that gambling clients are often heavily involved in gambling just prior to admission to the exclusion of most other activities, including alcohol consumption.[18]

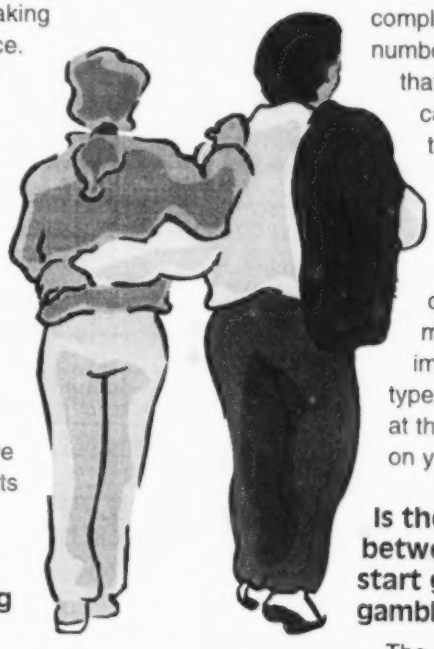
Another 1996 AFM analysis of client data found that gamblers had a much higher rate of tobacco consumption than the general population across Canada (58.9% of the gamblers smoked versus 27% of the general population[19]). However, substance abusers had a higher rate of smoking (83.4%) than the gamblers.[20]

Chapter Eight

YOUTH AND GAMBLING

Why is it important to look at youth and gambling?

Today's teens are the first generation to grow up in an environment of increased access to a wide array of gambling options and a relaxed social acceptance of gambling as a government regulated activity. Along with this, youth may be at greater risk of developing gambling problems than adults because of some of the factors associated with adolescence. It is known that adolescent development is a time of experimentation, risk taking and striving to gain independence. Many teens seem to want to do more activities associated with being an adult, such as gambling, to gain this independence. Teens are less mature psychologically, emotionally and socially, and they can be impulsive. The money aspect seems to be different for teens as compared to adults. Any money from allowance or employment appears to be more disposable in nature. Most teens do not have the financial responsibilities adults do. They are also just learning about managing money.



What is the risk of gambling problems among youth?

There is evidence indicating that adolescents have higher risk than adults of developing problems with gambling. For example, in 1999 the Addictions Foundation of Manitoba (AFM) conducted a study to determine the prevalence of gambling and problem gambling among youth (12 to 17 years old) in the general population. A total of 1,000 youth were interviewed by telephone between January 13 and March 4, 1999.[1] (A follow-up study is currently underway.) The study showed that 8% of youth were at risk of developing a gambling problem and 3% were problem gamblers, compared to 2.4% and 1.9% for adults. (The adult rates are from a 1995 prevalence study.[2])

Is there a relationship between youth problem gambling and becoming an adult problem gambler?

There is a real need for longitudinal research in this area. However, there is some evidence to indicate that youth problem gambling may lead to adult problem gambling. Studies from Minnesota and other parts of the U.S. show that a growing number of students who reach the legal age are gambling more frequently.[3]

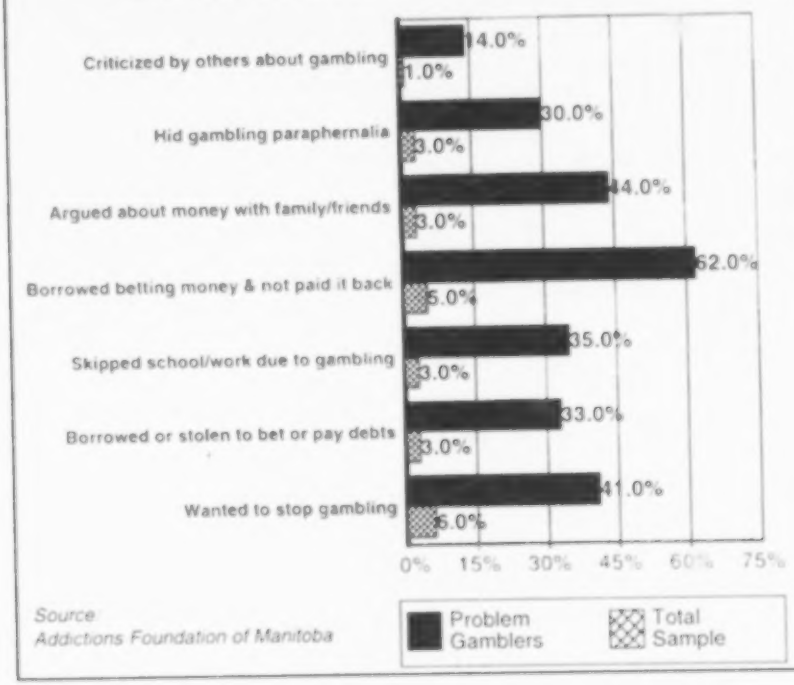
In a 2001 Manitoba Student Survey completed by the AFM, a combined number of 60% of students indicated that they intend to gamble in a casino in the next year. Further to this, 57.3% plan to play VLTs in the next year.[4] The impact of this may be great, as it is known that the majority of adult problem gamblers indicate that VLTs are their main method of gambling. It will be important to continue to do these types of studies in the future to look at the impact of prolific gambling on youth.

Is there a relationship between the age people start gambling and problem gambling?

The previously mentioned 1999 Manitoba study asked youth participants at what age they had their first gambling experience. The results showed very little difference between the categories of gamblers: both non-problem and at-risk gamblers started gambling at 9.3 years of age, while problem gamblers started at 8.5 years of age.[5]

In contrast, a 1998 Alberta study with adults found that 25% of probable pathological gamblers and 15.7% of problem gamblers started gambling when they were between 6 and 10 years old, compared to only 6.8% of non-problem gamblers.[6]

Figure 24: Consequences Experienced by Manitoba Youth as a Result of Gambling



Source:
Addictions Foundation of Manitoba

What are the consequences for youth who develop a gambling problem?

The 1999 Manitoba study revealed that, compared to responses from participants in the total sample, problem gamblers experienced many more consequences as a result of gambling. For example, 65% of the problem gamblers reported borrowing money and not paying it back, compared to only 5% of the total sample. Arguing with family and friends about money was reported by 44% of the problem gamblers, but only by 3% of the total sample.[7] Other consequences experienced are shown in Figure 24.

How do adolescents pay for gambling?

An Ontario study (1994) of 400 adolescents aged 12 to 19 reported that 24% of respondents got the money to pay for gambling debts from their parents, 16% from lunch money, 9% from other relatives, 7% from the sale of personal property, 4% from financial institutions, 4% by stealing from parents or roommates and 2% by using credit cards.[8]

The 1999 Manitoba study found that the problem gamblers had more money to spend than did the total sample: 31% of the problem gamblers reported obtaining $50 or more a week from allowances, jobs and other sources. Only 21% of the total sample had access to that much money. This difference could be partly explained by the fact that the problem gamblers reported working more: 64% work 10 or more hours a week, compared to only 34% of the total sample.[9]

How much do adolescents spend on gambling?

The 1999 Manitoba study found that, in an average month, 29% of problem gamblers spent between $11 and $50 on gambling, 8% spent between $50 and $100 and 6% spent over $100.[10]

The previously mentioned Ontario study also looked at this issue. It found that 25% of youth with no gambling problems spent up to $10 a day, while 60% of problem gamblers spent that much. Amongst those adolescents

considered to be probable pathological gamblers, 53% had spent up to $100 on a single day.[11]

Do gambling problems run in families?

The 1999 Manitoba study indicates that it may be a factor. It found that 31% of the problem gamblers had parents who gambled too much (according to the youths' perceptions), compared to only 9% of the total sample.[12]

In the more recent 2001 Manitoba survey, 14.8% of the students indicated that a family member's gambling was a minor to serious problem to them.[13]

Who do young people gamble with?

Shaffer (1996) surveyed 486 children in Grades 7 through 11 and reported that 15% of children actually made their first bets with their parents and another 20% did so with another family member.[14] Gupta and Derevensky (1997) found that 81% of the children they surveyed in Montreal (aged 9 to 14) that reported gambling did so with family members. Of those, 40% said they gambled with parents, 53% with siblings and 46% with other relatives, such as grandparents, aunts and uncles.[15]

How many youth gamble?

According to the 2001 Manitoba survey, 50.3% of the students indicated that they had gambled in the past year.[16] This includes both legalized and non-legalized forms of gambling.

What is the prevalence of problem gambling amongst youth?

After analyzing a number of prevalence studies of adolescent gambling behaviour in North America, Shaffer and Hall (1996) concluded that between 4.4% and 7.4% of adolescents between the ages of 13 and 20 showed patterns of compulsive or pathological gambling behaviour and a further 9.9% to 14.2% were at risk.[17]

The 1999 Manitoba study found that problem gambling prevalence among youth age 12 to 17 falls just below this range. It indicated that 3% of the youth surveyed showed signs of being problem gamblers, while 8% were at risk of developing a problem with gambling.[18]

How do these prevalence rates translate into actual numbers of youth with gambling problems?

A meta-analysis of 152 previously conducted independent studies of adults and youth in Canada and the U.S., completed by Shaffer, Hall and Vander Bilt (1997), estimates that approximately 200,000 adolescents in Canada have severe problems with gambling, while 600,000 are experiencing sub-clinical levels of gambling problems.[19]

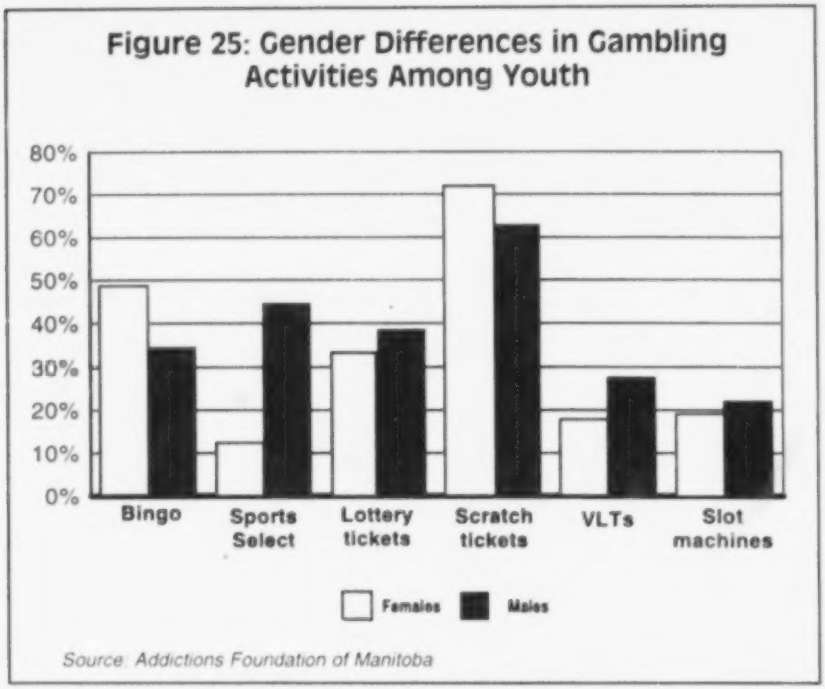
Using Manitoba study results, it could be estimated that approximately 7,600 12 to 17 year olds in the province are at risk of developing a problem with gambling, while about 3,000 youth are problem gamblers.[20]

Does frequency of gambling increase as a youth gets older?

The 1999 Manitoba study found that the likelihood of participating in gambling activities increases with age. Whereas 29% of the 12-year-olds surveyed reported that they had never gambled, only 16% of the 17-year-olds were non-gamblers.[21]

Is substance use associated with gambling problems among youth?

The 1999 Manitoba study did find an association between substance use and gambling problems. For example, 25% of the problem gamblers reported using alcohol once a week or more, compared to just 7% of the total sample.



It also found that 52% of the problem gamblers, compared to 16% of the total sample, smoke cigarettes at least daily. More problem gamblers also reported using marijuana or hash in the past year (54% compared to 20% of the total sample).[22]

In the 2001 Manitoba study, students were asked if they intended to use alcohol, other drugs or gamble in the next year. As mentioned previously, 60% felt they would gamble in a casino and 57.3% felt they would use VLTs. As well, 91.1% said they would use alcohol and 41.7% said they would use drugs.[23] The consequences of this will need to be examined.

A study completed by researchers from Children's Hospital at Harvard Medical School, Boston, also shed some light on this question. This study found that adolescents who gambled reported participating in an "increased number of at-risk behaviours in other areas of their lives." The study, which involved nearly 17,000 adolescents (from grade 8-12), determined that 15% of those teens who reported gambling in the past year used illegal drugs, compared with 8% of teens who had not gambled in the past year. Of those who reported having problems related to gambling, 28% reported using illegal substances.[24]

What forms of gambling are popular with youth?

According to the 2001 Manitoba study, the most popular form of gambling among youth was buying raffle tickets (71.4% females, 62.8% males) followed by bingo for females (48.5%) and Sports Select for males (44.5%). The extent of the popularity of other gambling activities among Manitoba youth is found in Figure 25.[25]

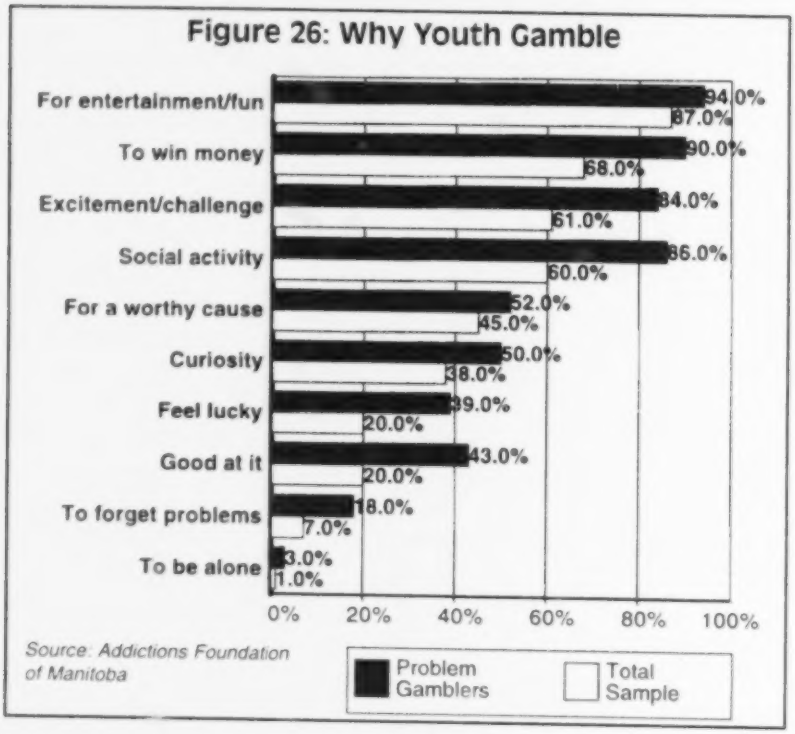
Do youth problem gamblers seek help?

A total of 27% of Manitoba's youth problem gamblers reached out for help. Of these, 70% approached their school counsellor or a teacher.[26]

What are the characteristics of an adolescent problem gambler?

The 1999 Manitoba study found that, compared to the total sample, adolescent problem gamblers were[27]:

- more likely to think that their parents gamble too much;
- more likely to have problems in school;
- less able to talk to parents about problems;
- more likely to have used substances in the past year;



- less happy with life in the past year;
- more likely to have felt anxious, upset or depressed in the past year;
- more likely to have had problems with police in the past year.

What's the difference between the genders when it comes to adolescent problem gambling?

In the 2001 Manitoba survey, students self-reported whether they had experienced problems with gambling. Almost 5% of females and 10.8% of males indicated that they indeed had experienced problems with gambling.[28] This suggests that males may be more vulnerable to the effects of gambling.

What is known about Aboriginal youth and gambling?

An Alberta study completed in 1995 involving 961 Aboriginal students from grades 5 to 12 found that factors such as age and gender carried essentially the same influences in this group as they did in general surveys. What varied was that many of the youths in this study had suffered the loss of family members or friends. Amongst those classified as at-risk or problem gamblers, 44% had at least one friend die in the previous one or two years and 77% had lost at least one family member in the past one to two years.[29]

Why do youth gamble?

Youth in Manitoba gamble for a variety of reasons, including for entertainment or fun, to win money, for the excitement and challenge and to socialize with friends. (See Figure 26.)

Chapter Nine

OLDER ADULTS AND GAMBLING

How many older people gamble?

In 2000, the Addictions Foundation of Manitoba (AFM) did a study to learn more about older Manitobans' gambling behaviors. After interviewing 1000 older adults over age 60 by telephone, the AFM found 77.5% gambled in the past year. The study also found that under one-quarter (22.5%) did not gamble at all.[1]

Why do older people gamble?

Older people gamble for a variety of reasons. Most play for fun or to win money. They also gamble to support good causes, to socialize with others, or to pass the time. Some older people will play to forget about their problems or to relieve stress.

What gambling activities do older people play?

Those that gamble are most likely to buy lottery or raffle tickets. They also play slots in a casino or VLTs in lounges or restaurants. Bingo is another popular game older people are attracted to. Some senior centers or legion clubs offer card game tournaments that older people enjoy. Mail sweepstakes is another form of gambling that some older people can get involved in.

What are the signs that an older adult has a gambling problem?

In the AFM study, about 2.8% of people age 60 and older have a gambling problem. Older problem gamblers tend to be more difficult to identify than younger people because most have more free time without the constraints of a job or growing family. Many live alone and can be away gambling for long lengths of time without being noticed. Many older problem gamblers will use up savings and build up large credit card debt before they would ever consider asking someone to lend them money.

Observable signs that an older person may have a problem with gambling are: being short on cash, saying he or she cannot afford repairs or to buy needed items, seeming preoccupied, withdrawn or irritable, being away from home more than usual or neglecting daily work.

When identifying problem gambling, caution must be taken since the above signs could also indicate a physical or mental health condition the older person is experiencing. The older problem gambler may not show any of these signs or show different behaviors that are not listed above. However, if an older person is known to gamble – particularly using electronic games like slots or VLTs – and shows behavior changes, it is important to ask if gambling is causing some trouble.

What about older adults who know someone who has a problem with gambling?

The older adult and gambling study completed by AFM in 2000 found that, while 2.8% reported having a gambling problem themselves, almost twice as many (5%) reported being negatively affected by someone else's gambling. They identified that a spouse, friend or adult child had a problem with gambling that was creating tension in the relationship. Many older people tried to help those in trouble by talking to them about the gambling, seeking advice from others, threatening to stop looking after their finances, showing the person in trouble more positive forms of entertainment or sharing their feelings about the hardships caused to the family. Older people also helped the problem gambler by giving money, providing emotional support and looking after children.[2]

Older people report that the negative experiences resulting from their relationship with a problem gambler includes: broken promises and disappointment, feeling manipulated into lending money, being yelled at, feeling neglected or abandoned, having money or valuables taken and being pushed or hit. Despite all of this, many older people remain loyal to the friend or family member that has a gambling problem.[3]

Chapter Ten

EFFECTS OF PROBLEM GAMBLING ON THE FAMILY

For most families, participating in gambling activities means an opportunity to have fun and to enjoy each other's company. Gambling might consist of nothing more than a recreational game of rummy on a Saturday night.

In other families, one parent may enjoy an odd afternoon at a casino, a bingo hall or a local pub that offers VLTs. For most of these families, gambling behaviour has no ill effects.

However, in a small number of families, someone else's gambling may be causing serious emotional and financial hardships. In these families, a parent may be so consumed by gambling that he or she has very little of anything left to give spouses and children. Families who have little disposable income are particularly vulnerable to the effects of excessive gambling. Money spent on gambling may result in a missed mortgage payment, fewer grocery purchases, utilities being turned off or the sale of personal items – all of which have implications for the entire family.[1]

As well as causing financial hardships, the time spent gambling means that gamblers, no matter what their economic background, may neglect other family and household responsibilities, such as being available to children and helping their spouse with regular chores.

The following questions and answers will shed some light on problem gambling and how it effects the family.

Does problem gambling run in families?

There is some evidence indicating that problem gamblers may come from a family where addictions were present. Almost 60% of clients from AFM's Gambling Program reported that when they were growing up, someone in their family had an alcohol, drug, gambling or other addiction problem.[2]

Other AFM data also indicate that problem gamblers may come from families where a parent was also a problem gambler. For example, 8% of all AFM problem gambling clients in 1997-98 indicated that their mothers had gambled too much in the past, while 14% said the same of their fathers. In the same group of problem gambling clients, 8% reported that their mothers gamble too much now, and 6% reported that their fathers do.[3] (See Figure 27.)

Figure 27: % of AFM Problem Gambling Clients Who Report Parental Problem Gambling

Mother gambled too much in the past – 8%
Father gambled too much in the past – 14%
Mother gambles too much now – 8%
Father gambles too much now – 6%

Source: Addictions Foundation of Manitoba

An American study also found a link between parental problem gambling and pathological gambling in the study's participants. Participants whose parents were problem gamblers were three times more likely to have serious gambling problems themselves than participants who did not have parents who gambled. As well, those participants whose grandparents had gambling problems were two times more likely to be problem gamblers.[4]

Is it easy to tell if a family member is a problem gambler?

Not usually. When a family member is having a problem with drugs or alcohol, there are often obvious signs, such as intoxication or a tell-tale smell on the breath. With gambling, there are often no visible signs. It's true that some problem gamblers may exhibit mood swings or spend a lot of time away from home, but these signs could just as easily indicate some other problem. In fact, the problem may be so invisible that, as gambling progresses in frequency and severity, families are often in the dark about the extent of the problem.[5]

If someone has a problem with gambling, what are the effects on the family members?

Individuals who become seriously involved in gambling spend increasingly more time, energy and money on their chosen activity. The seriousness of the gambling problem starts to surface when increased gambling is coupled with a decrease in time, energy and money spent on the family.

In many instances, family members may not know what is going on – they just know that the gambling spouse or parent isn't there for them.

Much of the gambler's time is spent away from home at gambling activities, but even when at home the person may be preoccupied and thus unreachable to family members. As well, all of the person's energy is spent either gambling or thinking about gambling, so again he or she remains emotionally unavailable to the family. Family members may also start to become aware that finances are a problem, but may not understand why because the gambler may be lying to cover up gambling expenditures. In any regard, the family is likely to be negatively affected by difficult financial circumstances.[6]

What effect does a parent's problem gambling have on his or her children?

In addition to sharing the burden and stress of financial problems, children are often witness to the struggle between parents as they argue over money and time spent gambling. Subject to the mood swings of the gambling parent, children may be alternately punished or rewarded as a result of a big win or loss. They may also feel torn between the two parents, seeing the non-gambling spouse as often angry and attempting to control the other parent's behaviour.[7]

Not surprisingly, research has shown that children who grew up with a problem gambler for a parent rated their upbringing as "poorer than most." Studies also indicate that these adolescents report being more anxious, insecure, subject to mood disorders and twice as likely to attempt suicide.[8]

Finally, there is evidence that children of pathological or problem gamblers are at a greater risk of developing their own addictive behaviours, including gambling.[9]

What are some ways that pathological gambling will affect two people in a marriage?

In her book, *Losing your Shirt*, Mary Heineman says that when a gambling problem haunts a marriage, the husband and wife may look like the perfect couple – from the outside.[10] But, like other chronic, progressive and devastating addictions, gambling will "tear away at every aspect of the couple's well-being." Heineman identifies some ways in which problem gambling affects the spouse of the problem gambler:

- financial implications;
- low self-esteem and depression caused by taking the caretaker role in the marriage. By taking this role, the husband or wife deprives him or herself so the problem gambler's needs can be met;
- mounting fear, stress and ill health;
- sexual deprivation. ("When the compulsive gambler is winning, he is so elated that he doesn't need sex. And when losing, he's too depressed to want it."[11]);
- lives with the gambler's compulsive lies;
- social isolation (cuts self off from family and friends to avoid confrontation of the problem);
- unreachable husband or wife, because he or she is so wrapped up in gambling.

What are some other effects of pathological gambling on the family members?

Over the years, researchers have conducted numerous surveys examining this question. Here are some of the effects that have been reported:

- greater risk of suicide in spouses of problem gamblers;[12]
- greater risk of suicide, higher rates of substance abuse and lower grades than peers in children of problem gamblers;[13]
- eating disorders in spouses;[14]
- financial difficulties in families of problem gamblers that are directly related to gambling;[15]
- turning over of savings and earnings by the non-gambling spouse to the gambler for gambling or paying of debts;[16]
- borrowing money from friends and relatives by the non-gambling spouse to finance the gamblers' gambling or to meet basic needs of family;[17]
- harassment of family members by bill collectors;[18]
- physical abuse of spouse or children by the problem gambler.[19]

Why is it important for members of the family to get rehabilitation?

Even if a family member is unable to persuade the problem gambler to seek rehabilitation, it can be helpful for others to get help. There can be a positive "ripple effect" on the entire family when one member starts the recovery process.[20] Families need help so they can:

- handle stress better;
- take better care of their own and their children's emotional health;
- examine and change some of their own behaviours that may contribute to the pattern of addiction;
- obtain good information from which to make decisions.

It is important for spouses and other affected family members to reach out for help rather than to wait or hope for the gambler to change. Change is unlikely to happen on its own. When people go for help, things *do* get better.

Are there any unique circumstances when treating pathological gamblers and their spouses?

Yes. When pathological gamblers admit to their problem and seek help, they are often elated that they are doing something to turn their lives around. But the state of mind of the spouse may be completely different. His or her initial feeling may be anger and hurt, especially if the gambling just came to light after years of deception and financial problems.

It is important for the couple to work on repairing the damage done in a relationship affected by problem gambling. However, rebuilding trust is a process that takes time, and both people have a role in this job. The couple may want to consider counselling to aid in the process

What can families do if they suspect gambling is a growing problem?

AFM Gambling Services recommends these do's and don'ts for people who suspect that one of their family members has a gambling problem:[21]

ACTIONS THAT DO LITTLE TO HELP THE FAMILY OR THE GAMBLER:

- becoming over-involved in monitoring and controlling gambling;
- ignoring the concern or minimizing perceptions of what is going on;
- making immediate long-term decisions about relationships;
- lending money to the gambler or paying the gambler's debts.

ACTIONS THAT ARE HELPFUL TO THE FAMILY AND THE GAMBLER:

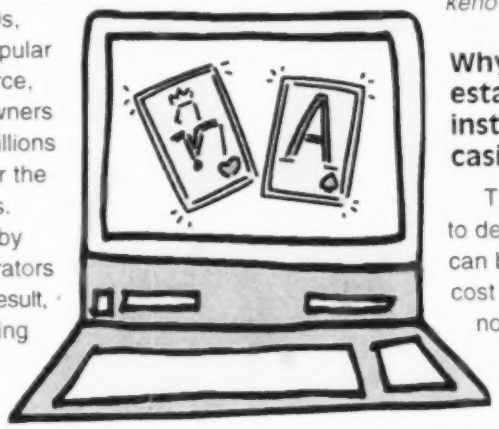
- acknowledging the problem;
- respectfully expressing concerns to the gambler;
- consulting helping resources;
- sharing concerns with support networks (trusted friends and relatives);
- seeking information about gambling and its effects;
- considering and planning for individual needs;
- establishing financial safety.

Chapter Eleven

GAMBLING ON THE INTERNET

What is the role of the Internet in gambling?

As a worldwide system of interconnected computer networks, the Internet provides a forum to send out messages to an international audience. Since the mid-1990s, the Internet has become a popular venue for conducting commerce, with retailers and business owners recognizing they can reach millions of potential customers all over the world through their computers. This has not gone unnoticed by casino owners and other operators in the gambling industry. As a result, hundreds of web sites promoting gambling opportunities, products and services are popping up on the Internet.



First check with your local government regarding the legality of gambling on the Web, then transfer funds from your credit card to SocietyCash.com and wait for authorization to play. Try your luck at poker, blackjack, slots, keno and more.

What types of gambling are available on the Internet?

To date, the majority of gambling-related Internet web sites promote gambling destinations (mainly because many U.S. casinos are prohibited by federal law from advertising on TV, radio or by direct mail[1]). Other sites sell gambling-related products or provide gambling-related information. (One example of the latter is an electronic magazine for gamblers called "Rolling Good Times.")

There are also a number of highly sophisticated "virtual casinos" or "cybercasinos" in which on-line gamblers can participate in casino-style gambling (i.e. slot machines) from their homes.[2] In 1999 it was estimated that there were over 250 on-line casinos, up from an estimated 90 in 1998.[3]

How are wagers placed on-line?

Electronic cash is the new form of payment system being developed for all types of commerce on the Internet. An example of this type of system is an instant on-line account backed by a credit or debit card.[4]

Here's how one web site, "Internet Casino" (located at www.casino.org), asks players to set up their accounts:

Why would a business establish a cybercasino instead of a physical casino?

There is a huge financial lure to develop cybercasinos; they can be set up for a fraction of the cost of an actual casino and do not require thousands of employees.[5] For example, the first virtual or on-line casino – American-owned Internet Casinos, Inc. (ICI) – was launched in 1995 for $1.5 million and employed only 17 individuals. These low set-up costs are coupled with high returns: the founder of ICI claims that returns at his casino represent approximately 24% of each dollar wagered, significantly higher than the U.S. industry's average of 8% to 16%.[6]

How much is the Internet gambling industry worth?

Datamonitor PLC, a market researcher in London, England, estimates that the on-line gambling industry is worth $535 million worldwide, and expects it to grow to $10 billion within the next three years.[7]

How can governments regulate on-line gambling?

Governments around the world are grappling with writing new legislation to regulate gambling on the Internet. Key issues include control, enforcement, establishing boundaries in a borderless cyberworld, monitoring of fraud, auditing sites, and preventing access to minors and problem gamblers.[8]

The fact that the Internet crosses provincial, state and federal borders is one of the main complexities in the task of regulating gambling

on this medium. Jurisdictional questions arise as to whether the on-line gambling activity should be subject to the laws of the region in which the gambler resides or the country from which the cybercasino operates.[9] In attempts to sidestep legislation in Canada and the U.S., a number of on-line casino operators are setting up offshore locations in countries such as Dominica and Thailand.[10] Some critics believe that individual government attempts to regulate gambling on the Internet will be ineffective, with site operators simply shifting countries and Internet addresses.[11]

Are there any concerns about on-line gambling?

Yes, there are several concerns. As mentioned previously, one is the difficulty of regulating on-line gambling. Gambling in Canada, as in many countries, is heavily regulated and controlled, with benefits accruing to the provincial and federal governments. Gambling on the Internet – a worldwide medium – is much more difficult to regulate, although several countries are attempting to do so through legislation.

Along with regulation problems, both local and federal governments are also faced with a tremendous loss of gambling revenue to private operators, who can operate sites from other countries and thus reap the financial benefits.

Ease of access by gamblers is another concern. The ability to gamble on the Internet is seen by some gamblers as convenient because they do not have to travel to a casino – all they have to do is log onto their computer. It is also private, with no one monitoring their activity or their spending. There is concern that this ease of access could be a possible contributing factor to an increase in problem gambling.

Finally, security of money transfers, confidentiality of credit card information, cheating by players, and the integrity and legitimacy of host gambling sites (which cover such issues as pay-out of winnings and setting the odds in favour of the site) are all issues impacting the growth of Internet gambling.[12]

Are youth particularly vulnerable to gambling on the Internet?

There is concern that the availability of on-line gambling, combined with a computer-literate youth, may exacerbate the growing rate of gambling addictions among young people.[13] To date there is no conclusive evidence to correlate use of the Internet with gambling behaviours.[14]

Also, it will be difficult to bar youth from on-line gambling when the situation is remote and relatively anonymous through a computer.[15] In an attempt to prevent access by minors, the government of Queensland, Australia, licenses the operators of virtual casinos and requires them to screen all potential gamblers who try to log onto their web sites. The licensed operators must authenticate the player's age and identity before allowing them to gamble.[16]

Is on-line gambling legal in Canada?

Under the Criminal Code of Canada, provincial governments can conduct, or license an operator to conduct, lottery schemes. In 1996, federal Liberal MP Dennis Mills tabled a Private Member's bill (Bill C-353) to amend the Criminal Code of Canada to specifically address lottery schemes on the Internet. The amendment would allow only the federal government "alone or in conjunction with one or more of the provinces to operate or license a lottery scheme on the Internet in accordance with the regulations."[17] The bill failed to reach a second reading and has not been reintroduced.[18]

In an evaluation of Internet gaming as part of a report prepared for the government of British Columbia (January 1999), it was noted that this may be a moot point. That is because the federal Justice Department takes the position that the current Code already addresses the issue because it prohibits *any* lottery schemes other than those conducted or licensed by government gaming authorities.[19]

To date, there are no government lotteries offered on the Internet, although the Atlantic Lottery Corporation[20] and Loto-Quebec[21] have expressed interest in, or are evaluating, offering Internet gambling.

Montreal-based lawyer Mitchell Garber notes in *The Internet Gambling Report* that the Criminal Code, with or without the amendment, does not address the gambler. That is, it does not address the question of whether a Canadian can place bets legally at offshore Internet gambling sites.[22]

In 1998, an attempt by the Ontario Jockey Club to accept wagers via the Internet failed after the Canadian Pari-mutuel Agency denied the request and the Federal Court of Canada upheld the decision.[23]

Which other countries have attempted to regulate cybergambling?

UNITED STATES: As in many countries, the issue of regulating gambling on the Internet remains largely unresolved in the U.S. Existing legislation (the 1961 Wire Act, which prohibits interstate gambling on sports by "phone or wire"), has been used by a number of states as a means of prohibiting sports betting on the Internet.[24]

The Internet Gambling Prohibition Act of 1997 (Bill S.474) seeks to expand the act to ban all forms of Internet gambling – including "virtual" casinos – in addition to sports betting.[25] Penalties under the proposed law would include fines of $20,000 (or three times the amount of bets accepted) plus up to four years in jail for businesses who set up illegal web sites. Individual gamblers would face being fined $500 and up to three months imprisonment.[26]

On July 23, 1998, the U.S. Senate voted to pass the bill and attached it as part of a "must pass" spending bill covering Commerce, Justice and State departments in fiscal 1999.[27] In October, however, in the face of critics of the bill, the House and Senate adjourned without adopting it.[28]

One of the criticisms of the bill is that it requires Internet service providers to "police" the content of web sites offered by their clients, rather than simply to act as carriers. The question has also been raised as to whether U.S. legislation would hold up against offshore gambling operations.[29,30]

In the meantime, a National Gambling Impact Study Commission has been established by Congress to evaluate gambling, including Internet gambling, in the U.S. The National Association of Attorneys General has also formed a working group to study the jurisdictional issues surrounding on-line gambling.[31]

AUSTRALIA: Queensland and the Australian Capital Territory have restricted Internet gambling to government offered or sanctioned sites.[32] Victoria allows private operators but prohibits the promotion of offshore sites within Australia.

EUROPE: Some European states are considering banning Internet gambling, while others have sanctioned it within their own borders and have even entered into reciprocal agreements with other jurisdictions (for example, Norway and Finland). Still other countries – Liechtenstein, for example – allow Internet gambling and have no territorial restrictions in place regulating who can play.

In 1998, the Gaming Regulators European Forum made a number of recommendations to those countries which allow Internet gambling, including the licensing of operators and the restriction of Internet gambling to residents within the jurisdiction's licensing boundaries. These recommendations have not been officially adopted yet.[33]

Chapter 12

REHABILITATION & RESOURCES FOR PROBLEM GAMBLERS AND THEIR FAMILIES

What rehabilitation is available for people who gamble too much?

In Manitoba, the Addictions Foundation of Manitoba (AFM) provides a rehabilitation program for problem gamblers. As well, a self-help group called Gamblers Anonymous offers assistance to people experiencing problems with gambling. Another source of assistance is psychologists and counsellors in private practice.

How does AFM's rehabilitation program work?

The AFM Gambling Program offers group and/or individual counselling to help clients make healthier choices that will reduce or eliminate the negative consequences of gambling in their lives.

Counsellors meet with clients to discuss their situation and together set up a plan for positive change. Short term goals can include identifying and avoiding (or coping with) gambling triggers, avoiding gambling opportunities and limiting access to money. Counsellors also encourage clients to access support from family and friends, which can help reduce the isolation and secrecy that often accompany gambling addiction.

Another important part of counselling is helping clients understand the emotional payoff they get from gambling and then finding other ways to meet those needs.

Counsellors help clients understand the change process and prepare them to deal with the potential challenges and setbacks that are often part of this process.

In the long term, AFM's treatment program is designed to hep gamblers to:

- establish an effective problem-solving approach;
- develop an approving self-concept;
- close the chase (stop trying to win back lost money) and grieve the losses;
- develop interpersonal skills;
- establish a satisfying work identity;
- enjoy self-esteem boosting activities.

Clients requiring additional financial, legal or counselling services are referred to appropriate resources. AFM counsellors also encourage clients to use the support of Gamblers Anonymous.

What is Gamblers Anonymous?

As literature from this organization states: "Gamblers Anonymous is a fellowship of men and women who share their experience, strength and hope with each other that they may solve their common problem and help others to recover from a gambling problem."[1]

GA's recovery program follows 12 steps, starting with admitting that a problem with gambling exists. With the help of their peers, gamblers are encouraged to change their lives around by facing their gambling problem and by making amends to all those who have been hurt by it.[2]

GA groups meet in many communities all across North America. It is recognized that together they can bring about changes within themselves that will allow them to live a life without gambling.[3]

Why should family members of problem gamblers get help?

Families and loved ones affected by someone else's gambling experience a great deal of stress and often benefit from connecting with rehabilitation resources themselves. These families and loved ones often seek out support when they are in a crisis. Many times the crisis is related to a financial problem that reveals the hidden secret of excessive gambling.

It can be very beneficial for family members to have a safe place to talk about how they have been impacted by the secrets and the gambling. Professional counselling is available to family members through the Addictions Foundation of Manitoba. Family members may access AFM services with or without the person with the gambling problem. Gam-Anon is also a resource for families of gamblers.

What does AFM's rehabilitation services offer family members?

Family members can meet with a counsellor or participate in group programs that encourage self-care and planning for their emotional and financial safety needs. Family members are given

the opportunity to identify the multitude of stressors that are impacting them and are supported in developing better stress management skills. AFM services are free of charge and can be accessed through the Gambling Helpline.

What is Gam-Anon?

Gam-Anon is a self help group where friends and family members can receive immediate support when they have been impacted by someone else's gambling. By sharing their concerns with others facing the same problems, families learn from each other and break the isolation that often develops around addiction. Gam-Anon locations or contacts can be accessed through the Gambling Helpline.

What materials are available for the families of problem gamblers?

Families can also benefit from educating themselves about gambling and addiction so they have a clearer picture about what they are facing. Here are some recommendations:

Behind the 8 Ball: A Guide for Families of Gamblers by Linda Berman. 1998. (Simon & Schuster)

Don't Leave it to Chance: A Guide for Families of Problem Gamblers by E. Federman, C. Drebing and C. Krebs. 2000. (New Harbinger Publications)

Losing Your Shirt: Recovery for Compulsive Gamblers and their Families by Mary Heineman. 1999. (CompCare Publishers)

It's Not About the Money. Hazelden Video

These materials are all available through the Addictions Foundation of Manitoba's library. They may also be available in some public libraries or ordered through the internet or book stores.

Resources for Problem Gamblers And their families

The Addictions Foundation of Manitoba's gambling programs can be accessed by calling one of the following offices:

Beausejour	268-6166
Brandon	729-3838
Dauphin	622-2021
Winnipeg	944-6382
Flin Flon	687-1770
Gimli	642-5162
Killarney	523-5070
Morden	822-1296
Neepawa	476-7200
Portage la Prairie	857-8353
Rossburn	859-4000
Selkirk	785-2354
Ste. Rose du Lac	447-4040
Swan River	734-2030
The Pas	627-8140
Thompson	677-7300
Virden	748-4720

Library (Winnipeg) 944-6279

MANITOBA PROBLEM GAMBLING HELPLINE NUMBER IS: 1-800-463-1554

GAMBLERS ANONYMOUS AND GAM-ANON: Call the Helpline number listed above and ask for information about GA and Gam-Anon groups that meet in your area.

ENDNOTES

ENDNOTES

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The Addictions Foundation of Manitoba

The Addictions Foundation of Manitoba (AFM) provides a broad range of services related to problems with alcohol, other drugs and gambling. If you need help for yourself or someone you know, or if you want more information on this topic, please contact your nearest AFM office.

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Rehabilitation Services 944-6200
Impaired Drivers Program 944-6290
Women's Centre 944-6229
Family Services 944-6229
Community-Based Youth Services 944-6235
Compass Youth Residential Services 428-6600
Problem Gambling Services 944-6368
Community Prevention Programs 944-6260
Satellite Offices:
- Beausejour 268-6166
- Gimli 642-5162
- Morden 822-1296
- Portage la Prairie 857-8353
- Selkirk 785-2354
- Steinbach 326-7724

WESTERN REGION

Brandon 729-3838
Dauphin 622-2021
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Neepawa 476-7200
Rossburn 859-4000
Ste. Rose du Lac 447-4040
Swan River 734-2030
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Flin Flon 687-1770
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